

Exhibit 3

Page 1

** HIGHLY CONFIDENTIAL **

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

Civil Action No. 3:12-cv-04947-MAS-LHG

-----x

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION, an unincorporated association; NATIONAL BASKETBALL ASSOCIATION, a joint venture; NATIONAL FOOTBALL LEAGUE, an unincorporated association; NATIONAL HOCKEY LEAGUE, an unincorporated association; and OFFICE OF THE COMMISSIONER OF BASEBALL, an unincorporated association doing business as MAJOR LEAGUE BASEBALL,

Plaintiffs,

-against-

CHRISTOPHER J. CHRISTIE, Governor of the State of New Jersey; DAVID L. REBUCK, Director of the New Jersey Division of Gaming Enforcement and Assistant Attorney General of the State of New Jersey; and FRANK ZANZUCCI, Executive Director of the New Jersey Racing Commission,

Defendants.

-----x

200 Park Avenue
New York, New York

November 5, 2012
10:15 a.m.

30(b)(6) DEPOSITION OF
NATIONAL FOOTBALL LEAGUE
and its Representative
LAWRENCE P. PERAZANI, JR.

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30(b)(6) DEPOSITION OF NATIONAL

8

FOOTBALL LEAGUE and its Representative

9

LAWRENCE P. PERAZANI, JR., taken by the

10

Defendants, pursuant to Notice, held at

11

the aforementioned time and place, before

12

Sherri Flagg, a Registered Professional

13

Reporter, Certified LiveNote Reporter,

14

and Notary Public.

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3

LAWRENCE P. PERAZANI, JR.,

4

first duly sworn/affirmed, was

5

examined and testified as follows:

6

EXAMINATION BY

7

MR. SIGLER:

8

Q. Good morning, Mr. Perazani. My

9

name is Jeff Sigler. I'm with Gibson Dunn &

10

Crutcher. I'm defense counsel in this case.

11

You understand that you're here to testify in

12

the case NCAA versus Christie, correct?

13

A. Yes, I do.

14

Q. And you are here as a

15

representative of the NFL?

16

A. Yes.

17

Q. You understand that the NFL is a

18

Plaintiff in the case?

19

A. Yes.

20

Q. What is your position at the NFL,

21

Mr. Perazani?

22

A. My title is senior labor litigation

23

counsel.

24

Q. What are your job responsibilities?

25

A. I am a member of the legal

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 department. Generally I represent the League
 3 and its member clubs and actions under the CBA
 4 and generally against our union having
 5 everything to do with the grievance process,
 6 the conduct and steroid and drug policies.
 7 But I also serve as liaison for outside
 8 litigation. Part of the duties under the
 9 policies I'm also responsible for are gambling
 10 policy.

11 Q. And you said something about the
 12 CBA. That's the collective bargaining
 13 agreement with the NFL Players Association?

14 A. That's correct, yes.

15 Q. And as liaison for outside
 16 litigation, does that encompass litigation not
 17 just for labor-related matters but also other
 18 litigation for the NFL?

19 A. Yes. For example, the bounty-gate
 20 cases, the concussion litigation and this
 21 case.

22 Q. And, Mr. Ferazani, you mentioned
 23 that you have responsibility for the NFL's
 24 gambling policy. Is that the policy with
 25 respect to player conduct?

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 Q. How long have you been in your
 3 current role?

4 A. Just over five years. Well, I've
 5 been with the League for just over five years.
 6 I started as a labor relations counsel,
 7 recently promoted.

8 Q. So how long have you been in your
 9 current position?

10 A. Since March of this year.

11 Q. You've been at the NFL since
 12 sometime in 2007?

13 A. That's correct, roughly October
 14 2007.

15 Q. And when you started at the NFL in
 16 October of 2007, were you in a position of
 17 labor relations counsel?

18 A. That's correct.

19 Q. What were your responsibilities as
 20 labor relations counsel?

21 A. Not much different from my
 22 responsibilities as -- my present position.
 23 I -- when I came into the League, obviously I
 24 started primarily focused on grievance process
 25 and litigation involving players under the

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2 A. That's correct.

3 Q. Do you have any other
 4 responsibilities that relate to gambling?

5 A. Not that I think of, as I sit here
 6 today. The gambling policy, just to be clear,
 7 also encompasses League employees, ownership
 8 as well.

9 Q. Do you have responsibility relating
 10 to infractions of the gambling policy?

11 A. Yes.

12 Q. So if a player or a League employee
 13 or an official violates the policy, that would
 14 fall into your area?

15 A. Yes. The Commissioner ultimately
 16 would issue a discipline and if there's a
 17 challenge to the discipline, I would represent
 18 the League in a hearing to determine if the
 19 discipline was warranted.

20 Q. Who do you report to?

21 A. Ultimately Jeff Pash and
 22 Commissioner Godell. Jeff Pash is the general
 23 counsel for the National Football League. In
 24 between Mr. Pash and myself, I also report to
 25 Adolpho Birch and Dennis Curran.

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2 collective bargaining agreement. I also
 3 shortly thereafter started to represent the
 4 League in its -- in hearings involved or
 5 arising under the conduct policy and the drug
 6 and steroid policies.

7 Q. Have your responsibilities included
 8 the gambling policy the entire time you've
 9 been at the NFL?

10 A. No. The gambling policy was added
 11 with the new position in March of this year.

12 Q. Okay. So your responsibilities
 13 relating to the gambling policy started in
 14 March of this year and it continued through
 15 the present?

16 A. Correct.

17 Q. Mr. Ferazani, do you have job
 18 responsibilities that relate to NFL.com?

19 A. I do not.

20 Q. And NFL.com is owned by the NFL,
 21 correct?

22 A. Yes.

23 Q. Is there a separate legal
 24 department for NFL.com?

25 A. No. Their legal department

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2 generally has two sides: the game side which
3 is the old management counsel, which is the
4 group that I'm a part of; and then the
5 business side, which was the old traditional
6 legal department.

7 Obviously, the legal department
8 generally has probably around 15 attorneys so
9 there's a lot of overlap and consultation.
10 But NFL.com and the business ventures would be
11 more in the traditional legal department.

12 Q. So the business side of the NFL's
13 legal department service is NFL.com?

14 A. Generally. NFL.com -- the folks on
15 the business side are specialists, you know,
16 in transactional work, broadcasts, contracts
17 and the like.

18 Q. Are employees of NFL.com subject to
19 the NFL's employee policies?

20 MR. DREYER: Objection to the form
21 of the question, assumes facts not in
22 evidence. You can answer.

23 A. Yes, generally.

24 Q. Do your job responsibilities
25 include any responsibilities relating to the

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2 A. No.

3 Q. How long were you an Assistant
4 United States Attorney?

5 A. Roughly three-and-a-half years.

6 Q. So from 2004 through October 2007?

7 A. I think March of 2004 through 2007.

8 Q. And before you were an Assistant
9 United States Attorney, what was your
10 position?

11 A. I was a special agent of the
12 Federal Bureau of Investigation.

13 Q. Where were you located?

14 A. In New York.

15 Q. How long did you have that
16 position?

17 A. From August of '99 through the time
18 with the U.S. Attorney's Office.

19 Q. So as a special agent for the FBI,
20 did you investigate any gambling-related
21 cases?

22 A. I worked generally on organized
23 crime cases to the extent that those involved
24 gambling but no specific gambling cases, no.

25 Q. And what was your position before

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2 NFL Network?

3 A. The NFL Network is a stand-alone
4 entity. It's owned by the NFL, housed out in
5 Los Angeles. I've had no interaction with the
6 NFL Network, but they are within the NFL
7 umbrella.

8 Q. Are employees of the NFL Network
9 subject to the NFL's employee policies?

10 A. Yes.

11 Q. Before you joined the NFL in
12 October of 2007, what was your position?

13 A. I was Assistant United States
14 Attorney in the Eastern District of New York.

15 Q. How long did you have that
16 position?

17 A. Roughly three-and-a-half years.

18 Q. Were you part of a division or
19 group within that office?

20 A. I was in the criminal division
21 while I was there, I was in general crimes,
22 violent crimes and terrorism, and also the
23 Long Island division.

24 Q. Did you investigate or prosecute
25 any gambling-related cases?

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2 you became an FBI in agent in August of '99?

3 A. I was an associate at a law firm in
4 Boston called Burns & Levinson.

5 Q. How long did you have that
6 position?

7 A. It was roughly two years.

8 Q. What did you do before that?

9 A. I was an Assistant District
10 Attorney in the Bronx.

11 Q. How long did you have that
12 position?

13 A. Just under three years.

14 Q. Did you prosecute or investigate
15 any gambling-related cases?

16 A. Not in the Bronx, no.

17 Q. And what did you do before that?

18 A. I was in law school.

19 Q. Where did you go to law school?

20 A. Suffolk University Law School in
21 Boston.

22 Q. Other than your law degree, do you
23 have any other post-graduate degrees?

24 A. I do not.

25 Q. Do you have any special training or

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 2 education in gambling?
 3 A. No.
 4 Q. Have you ever conducted research on
 5 gambling?
 6 A. No.
 7 Q. Have you ever written any papers or
 8 analyses on gambling?
 9 A. No.
 10 Q. Mr. Ferazani, I'm guessing you have
 11 been deposed before?
 12 A. Shockingly, no.
 13 Q. Really?
 14 A. I've been very fortunate up until
 15 now.
 16 Q. This is your first deposition?
 17 A. The first, yes. I've testified in
 18 criminal cases, but I've never been deposed.
 19 Q. How many times have you testified
 20 in court?
 21 A. Twice.
 22 Q. And was that when you were an FBI
 23 agent?
 24 A. Yes.
 25 Q. Those were criminal cases?

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 identification.)
 3 BY MR. SIGLER (continuing):
 4 Q. Mr. Ferazani, you've been handed a
 5 document marked NFL Exhibit 1. Can you please
 6 review this document and tell me whether you
 7 recognize it.
 8 A. I do.
 9 Q. You recognize this as the notice
 10 summarizing topics on which you're here to
 11 testify about today, correct?
 12 A. I do.
 13 Q. And if you could turn with me,
 14 please, to pages 4 and 5 of the document, do
 15 you see that it lists five topics numbered 1
 16 through 5 on pages 4 and 5?
 17 A. I do.
 18 Q. And are you prepared to testify
 19 today as the NFL's designee on each of these
 20 five topics?
 21 A. I am.
 22 Q. And you understand that this means
 23 you must testify about information known or
 24 reasonably known to the NFL on these topics,
 25 correct?

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 A. Yes, they were.
 3 Q. Well, Mr. Ferazani, you understand
 4 that you're testifying here today under oath
 5 just as if you were testifying in court,
 6 correct?
 7 A. Yes, I do.
 8 Q. And I'm sure Mr. Dreyer's explained
 9 this to you, but just to be clear, we need to
 10 make sure that we are making a clear record
 11 here for the court reporter. So we're going
 12 to try to talk as slowly as possible and
 13 please make sure you understand the question
 14 that I ask before you answer the question.
 15 Okay?
 16 A. Yes.
 17 Q. Now, Mr. Ferazani, you understand
 18 that you're here today as the NFL's
 19 representative to testify on certain topics
 20 relevant to this case, correct?
 21 A. Yes.
 22 Q. Have you ever served as -- strike
 23 that.
 24 (Exhibit 1: 30(b)(6) Notice of
 25 Deposition, was marked for

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 A. That's correct.
 3 Q. What did you do to prepare for your
 4 deposition here today, Mr. Ferazani?
 5 A. Well, I met with counsel, discussed
 6 the topics that were covered by the 30(b)(6)
 7 notice, reviewed various documents including
 8 our submissions in the case, reviewed our
 9 gambling policy generally.
 10 Q. Anything else?
 11 A. Spoke with certain individuals
 12 regarding information about the gambling
 13 policy.
 14 Q. Who did you speak with?
 15 A. Adolpho Birch.
 16 Q. What is Adolpho Birch's position?
 17 A. He is a senior vice president and I
 18 don't know the exact title but he oversees all
 19 of the policies -- the drug, steroid. He was
 20 the person who used to be responsible for the
 21 gambling policy.
 22 Q. So Adolpho Birch had responsibility
 23 for the gambling policy before you took over
 24 responsibility for it in March of this year?
 25 A. That's correct.

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 2 Q. Is Adolpho Birch in the legal
 3 department?
 4 A. He is.
 5 Q. So you spoke to Mr. Birch about the
 6 gambling policies?
 7 A. Correct.
 8 Q. Did you speak to him about anything
 9 else?
 10 A. No.
 11 Q. What did you learn from Mr. Birch?
 12 MR. DREYER: I think we're
 13 potentially getting into privileged areas
 14 here. So with respect to facts that were
 15 not discussed for purposes of rendering
 16 or receiving legal advice, that's
 17 permissible. And I think you know the
 18 grounds for privilege but just I want to
 19 refresh them.
 20 So I just want to instruct the
 21 witness not to disclose any attorney-
 22 client communication.
 23 Q. Let me ask a question that might
 24 cut through this. When you spoke to
 25 Mr. Birch, were you speaking with him in

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 2 There was an absolute prohibition. Where
 3 those policies appeared were in different
 4 documents, so what we did was in August there
 5 was one gambling policy where you found all
 6 the information for one-stop shopping or
 7 one-stop review, I guess.
 8 Q. Did you speak to Mr. Birch about
 9 anything else?
 10 A. No.
 11 Q. Other than Mr. Birch, did you speak
 12 to anyone else in preparation for this
 13 deposition, other than counsel?
 14 A. I spoke with Doug Palletti.
 15 Q. Thank you. Who is Mr. Palletti?
 16 A. Doug Palletti is a lawyer on the
 17 business side of the legal department.
 18 Q. And did you speak to Mr. Palletti
 19 to get legal advice or in preparation for the
 20 deposition?
 21 A. In preparation for the deposition.
 22 Q. And what did you learn from
 23 Mr. Palletti?
 24 MR. DREYER: Same instruction as to
 25 any potential privileged conversations.

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 preparation for this deposition or to get
 3 legal advice?
 4 A. For this deposition.
 5 Q. What did you speak to Mr. Birch
 6 about?
 7 MR. DREYER: Same instruction. You
 8 can answer.
 9 A. Generally just reviewing the
 10 timeline by which the gambling policy was
 11 brought under one umbrella. There's one
 12 gambling policy that applies for ownership,
 13 players, employees and advertising.
 14 Q. And what is that timeline?
 15 A. It was brought under one umbrella
 16 I believe in August of this year.
 17 Q. So before August of this year,
 18 there were separate policies for players and
 19 owners; and as of August of this year, there's
 20 one single gambling policy?
 21 A. No.
 22 MR. DREYER: Object to the form of
 23 the question. You can answer.
 24 A. Sorry. No, the policies from the
 25 Constitution and Bylaws were always the same.

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 You can answer.
 3 A. With Mr. Palletti I asked and
 4 attempted to glean a timeline by which the
 5 sponsorship amendments have been passed
 6 regarding advertising with regard to gambling,
 7 lotteries, et cetera.
 8 Q. When you said "sponsorship
 9 amendments," what did you mean by that?
 10 A. The League, in 2007 I believe,
 11 authorized state lotteries sponsorship with
 12 certain restrictions, including a lottery's
 13 not allowed to have a sports gambling
 14 component to it.
 15 Q. So the amendments you referred to
 16 were amendments to the NFL's bylaws?
 17 A. They were.
 18 Q. Did you speak to Mr. Palletti about
 19 anything else?
 20 A. No.
 21 Q. Did you speak with anyone else in
 22 preparation for your deposition today?
 23 A. No, other than counsel.
 24 Q. Did you speak to anyone in the
 25 NFL's marketing or research groups in

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 preparation for the deposition today?
 3 A. Not in preparation for the
 4 deposition today, no.
 5 Q. Have you spoken to people in the
 6 NFL's marketing or research groups at all in
 7 connection with this litigation?
 8 A. Yes, I have.
 9 Q. For what purpose did you speak to
 10 them?
 11 A. For the document production.
 12 Q. So you spoke to them in connection
 13 with gathering documents to produce in the
 14 case?
 15 A. That's correct.
 16 Q. Were you responsible, Mr. Ferazani,
 17 for gathering documents responsive to our
 18 document requests in the case?
 19 A. Yes, I was.
 20 Q. And did you turn documents you
 21 received from the marketing and research group
 22 over to counsel at Skadden Arps?
 23 A. I did.
 24 Q. Mr. Ferazani, did you speak to
 25 Roger Godell in preparation for this

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 A. I have not.
 3 Q. Mr. Ferazani, if you could turn to
 4 topic 2 on the list of topics, do you see that
 5 topic 2 concerns the impact or potential
 6 impact of sports gambling on you and your
 7 member teams?
 8 A. Yes.
 9 Q. In connection with this topic, did
 10 you do anything to assure yourself that you'd
 11 reviewed any studies, analyses or surveys in
 12 the NFL's possession on this topic?
 13 A. I reviewed the documents, several
 14 of the documents that we produced.
 15 Q. You reviewed the studies that the
 16 NFL produced in this litigation about fantasy
 17 football?
 18 A. Yes.
 19 Q. Does the NFL have any studies in
 20 its possession regarding the impact or
 21 potential impact of sports gambling on the
 22 NFL?
 23 A. The NFL has studied the issue. I'm
 24 not sure what you mean by studies
 25 specifically.

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 deposition today?
 3 MR. DREYER: You can answer yes or
 4 no.
 5 A. No.
 6 Q. Have you spoken to Mr. Godell at
 7 all in connection with this litigation?
 8 MR. DREYER: You can answer yes or
 9 no.
 10 A. Yes.
 11 Q. For what purpose did you speak to
 12 Mr. Godell?
 13 MR. DREYER: Again, I think we're
 14 getting to areas of privilege here, given
 15 Mr. Ferazani's position as in-house
 16 counsel to the NFL. So I would again
 17 instruct the witness in answering the
 18 question not to disclose the content of
 19 any attorney-client communication.
 20 A. Primarily -- well, our conversation
 21 was to discuss scheduling this deposition and
 22 explaining why he was being deposed.
 23 Q. Other than scheduling this
 24 deposition, have you spoken to Mr. Godell at
 25 all about this litigation?

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 Q. How has the NFL studied the issue?
 3 A. The NFL's primary purpose since its
 4 foundation was to develop our fan loyalties
 5 and increase our brand favorability rating, to
 6 increase ticket sales, attendance, revenues
 7 and viewership ratings. So from the inception
 8 of the League to the present, everything we do
 9 is designed with those principles in mind and
 10 with that goal in mind, to protect the shield.
 11 Q. When you say "protect the shield,"
 12 you're referring to the NFL logo?
 13 A. Right. That's something that's
 14 drilled into you early on as one of your most
 15 important duties as an employee for the
 16 National Football League.
 17 Q. Has the NFL conducted any consumer
 18 surveys or analyses regarding the impact of
 19 sports gambling on the NFL?
 20 A. The NFL has not conducted any such
 21 studies that I'm aware of.
 22 Q. Has the NFL conducted any focus
 23 groups regarding the impact of sports gambling
 24 on the NFL?
 25 A. No, not that I'm aware of.

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Q. Has the NFL conducted any studies or surveys regarding the impact or potential impact of legalizing sports gambling in New Jersey on the NFL?

A. Well, again, going back to the '92 law, my understanding was there were studies presented to Congress, there was testimony submitted to Congress including testimony from the Commissioner of the NFL at the time, Commissioner Tagliabue, regarding the detrimental impact that sports gambling would have generally on the NFL and its interests.

That was corroborated by law enforcement and I think other scientific studies that were presented to Congress. Those studies and the principles behind the analysis and conclusions of the NFL would apply to New Jersey or any other state, I would imagine.

Q. Does the NFL have any studies regarding the impact or potential impact of legalizing sports gambling in New Jersey on the NFL?

MR. DREYER: Objection to the form

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discussed in that congressional testimony?

A. We have -- and I've reviewed Commissioner Tagliabue's testimony and I've reviewed the legislative history of the law. I have not reviewed the specific other documents that were referenced in the legislative history of the law, but they're summarized in the legislative history.

Q. So the NFL has the congressional testimony that was given in 1991 and '92 but not the underlying studies that were done, correct?

A. I have not seen them, correct.

Q. Mr. Ferazani, a number of the topics in this deposition notice, as you can see, concern sports gambling. Correct?

A. That appears to be, yes.

Q. How do you define sports gambling?

A. Gambling on sports?

MR. DREYER: I'm sorry, the question is vague. Are you referring to Mr. Ferazani or the NFL? I'm not trying to coach. I just want to make sure we have a clear record. When you say "you,"

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of the question. You can answer.

A. Again, I believe that the studies and the analysis conducted in '92 would apply to New Jersey. I don't see anything that's unique or unusual about New Jersey where these harms would not result from New Jersey passing a law allowing -- authorizing sports gambling.

Q. Does the NFL have any of the studies from 1992 that you're referring to?

A. We have the legislative history from its passage and we have the testimony submitted by Commissioner Tagliabue at the time. We have testimony from the New Jersey Commissioner of Gambling, and we have the testimony from the FBI supervisory special agent who testified in support of PASPA's passage.

MR. DREYER: And it's P-A-S-P-A.

Q. And, Mr. Ferazani, you've referred to various congressional testimony that the NFL has, correct?

A. Yes.

Q. Does the NFL have any of the studies or surveys that may have been

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I think it's a little vague. You can answer.

A. The NFL would view this as gambling on the outcome of our games.

Q. So that's how the NFL would define sports gambling?

A. As it pertains to the NFL, yes.

Q. And how do you define gambling? Strike that.

How does the NFL define gambling?

A. Placing a wager on the outcome of a specific sporting event in the hopes of receiving more money in return than what you wagered.

Q. And you said from the NFL's perspective, sports gambling would be gambling on the outcome of games, correct?

MR. DREYER: I think you mischaracterized the testimony. But you can answer.

A. Repeat the question, sorry.

Q. Strike that.

Mr. Ferazani, you said that the NFL views sports gambling as gambling on the

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2 outcome of the NFL's games, correct?

3 A. As a broad overview of that

4 definition. I'm sure it certainly encompasses

5 other subsets of the game, but that is a broad

6 definition of what sports gambling is to us.

7 Q. Would sports gambling include

8 gambling on a particular player's statistics

9 in an individual game?

10 MR. DREYER: Objection, incomplete

11 hypothetical. You can answer.

12 A. I'm not sure how that would appear.

13 Gambling on player's statistics? I'm lost as

14 to -- if you could refine that a bit.

15 Q. If I were to bet you \$20 that Tom

16 Brady will throw three touchdowns, is that a

17 sports gamble?

18 A. And you would win more than \$20 if

19 you threw three or more and I would have to

20 pay you?

21 Q. If I were to bet you \$20 -- so if

22 he throws 20 touchdowns -- or if he throws

23 three touchdowns, I get the \$20; if he doesn't

24 throw three touchdowns, you get the \$20. Is

25 that a sports gamble?

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2 making a wager like you first described, I

3 think that would be a sports gamble or a

4 sports bet.

5 Q. And, Mr. Ferazani, is sports

6 gambling the same thing as sports wagering

7 from the NFL's perspective?

8 MR. DREYER: Objection to the form

9 of the question. You can answer.

10 A. As I sit here, I can't think of a

11 distinction.

12 Q. I can't either. So for our

13 purposes today, if I say sports wagering or

14 sports gambling, I mean the same thing, okay?

15 A. Fair enough.

16 Q. Mr. Ferazani, some sports gambling

17 is legal and some is illegal, correct?

18 MR. DREYER: Objection to the form

19 of the question. You can answer.

20 A. There's -- in Nevada, there's

21 sports gambling that is legal by operation of

22 PASPA. There's certain states that have

23 limited and specific types of wagers on

24 athletic contests that is legal. If you want

25 to expand the definition of sports to horse

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2 A. I believe that would fit that

3 definition, sure.

4 Q. And would gambling on a player's

5 statistics over the course of an entire season

6 constitute sports gambling?

7 MR. DREYER: Same objection. You

8 can answer.

9 A. Meaning if you bet me that

10 Mr. Brady completed 100 passes in a season,

11 you would get \$100 and, if not, you'd pay me a

12 hundred dollars?

13 Q. Correct.

14 A. A financial transaction based upon

15 an athletic contest or an individual

16 achievement, I think that would satisfy the

17 definition.

18 Q. So betting on an individual

19 player's statistics throughout the course of a

20 season would constitute sports gambling,

21 correct?

22 A. Again, I'm more comfortable with a

23 more specific example. Betting on statistics

24 generally I'm kind of having a difficult time

25 wrapping my head around. But if you were

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2 racing, Jai Alai and dog racing as PASPA does,

3 then, yes, there are some that is legal. The

4 vast majority of sports wagering is illegal.

5 Q. So some sports gambling is legal

6 but a vast majority is illegal, correct?

7 MR. DREYER: Objection, asked and

8 answered. You can answer.

9 A. There are different restrictions in

10 different ways based on sport, geography. But

11 as I testified, yes, some sports and in some

12 locations it's legal and some -- the vast

13 majority of places, it's not legal.

14 Q. Does the NFL know how much illegal

15 sports gambling occurs in the United States?

16 A. I couldn't even guess.

17 Q. Does the NFL have any studies,

18 analyses or estimates of how much illegal

19 sports gambling occurs in the United States?

20 A. I don't know how anyone would have

21 that. But we don't, no.

22 Q. Mr. Ferazani, are you familiar with

23 the National Gambling Impact Study Commission

24 Report?

25 A. Is it the one from the late '90s?

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Q. Yes.

A. I believe we produced something with that definition. If you want me to look at it, I'd be happy to.

(Exhibit 2: Chapter 2, Gaming in U.S., was marked for identification.)

MR. DREYER: If you're going to use this document, I'm going to make an objection.

MR. SIGLER: Let me just make a representation before you speak and you can make your objection. This is an excerpt from the report which is a very lengthy document. As you can see, at the top left-hand corner this is chapter 2 of the longer document. It also does not have the Bates stamp at the bottom I see. But I will represent to you that this is a copy of chapter 2 from the Gambling Impact Study Commission Report.

MR. DREYER: Counsel, I appreciate the representation. But in order to preserve the record, I'll object to the use of the document in that it's not been

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I am familiar with that page, yes.

Q. When did you see this page of the Study Commission Report?

A. I believe I first reviewed this when we were in litigation with Delaware for their sports lottery, which was a few years ago.

Q. Does the NFL have a copy of this Study Commission Report?

A. What I saw, I think, may well be pages -- as I said, a subset, maybe even -- certainly page 2-14.

Q. So you believe that the NFL has at least page 2-14 of the commission report in its files, correct?

MR. DREYER: Objection, mischaracterizes the witness' testimony. You can answer.

A. As I said, I believe I've seen this page before.

Q. And, Mr. Ferazani, looking at the left-hand side of the page, the paragraph toward the bottom that starts with "According to Russell Guindon"; do you see that

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produced by either side. We can proceed. You have my objection.

BY MR. SIGLER (continuing):

Q. Mr. Ferazani, looking at this document, is this a portion of the Gambling Impact Study Commission Report that you are familiar with from the NFL's files?

A. I think I am familiar with the subset of this. I don't recall the Figure 21 and 22.

MR. DREYER: And so the record is clear, the witness is referring to the figures that appear on page 2-2 on NFL Exhibit 2.

Q. If you could turn with me, please, to the page number that has 2-14 in the bottom right corner, please.

A. Right.

Q. Are you familiar with this page of the commission report?

A. Let me just read it because I know that some of the other pages are new to me. But let me read this.

(Examining document.)

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paragraph?

A. I do.

Q. And do you see the estimate by Nevada's Gaming Control Board of sports wagering, \$2.3 billion, in Nevada's legalized sportsbooks in fiscal 1998?

A. I see that, yes.

Q. Does the NFL have a view on whether that estimate is accurate?

MR. DREYER: Objection, lack of foundation. You can answer.

A. I have no way to confirm or refute Mr. Guindon's claim or this report of Mr. Guindon, G-U-I-N-D-O-N.

Q. Does the NFL have any different estimates regarding the amount of sports wagering in Nevada in fiscal 1998?

A. None.

Q. Does the NFL have any estimates at all of the amount of sports wagering in Nevada's legalized sportsbooks for any year?

A. None.

Q. If you look on the right side of the page at the top, do you see the estimate

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 2 of 80 billion to 380 billion annually?
 3 A. I see that estimate.
 4 Q. And do you see that that refers to
 5 an estimate for the scope of illegal sports
 6 betting in the United States?
 7 A. That's what that says, yes.
 8 Q. Is the NFL familiar with that
 9 estimate?
 10 MR. DREYER: Objection to the form
 11 of the question. You can answer.
 12 A. Are we familiar in that I've seen
 13 this page before? Yes. I can't tell you if
 14 it's accurate or inaccurate. It's a pretty
 15 massive range.
 16 Q. Does the NFL have any different
 17 estimates regarding the scope of illegal
 18 sports betting in the United States?
 19 MR. DREYER: Objection as to
 20 foundation. You can answer.
 21 A. And I don't know where this
 22 estimate came from, but the NFL has no other
 23 estimate nor would I know how we would make
 24 such an estimate.
 25 Q. Has the NFL ever cited or relied on

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 2 A. As far as the dollar figures
 3 wagered, as I sit here today, I don't know.
 4 Q. And apart from the dollar figures
 5 wagered, does the NFL monitor the scope of the
 6 legal sports gambling market in Nevada at all?
 7 A. Again, by "scope" -- we understand
 8 it exists, we understand that there's -- what
 9 wagers are permitted. I would be guessing if
 10 I told you what the numbers are or how much,
 11 you know, they generate every year.
 12 Q. And the NFL is aware that there is
 13 a substantial illegal sports gambling market
 14 as well, correct?
 15 MR. DREYER: Objection to the form
 16 of the question. You can answer.
 17 A. Are we aware that there's illegal
 18 sports gambling that goes on? Yes. The scope
 19 of that market, as I've said, by its very
 20 nature, I think it would be impossible to
 21 hazard a guess as to how much is wagered in
 22 that way.
 23 Q. And the NFL is aware that, as part
 24 of that illegal sports gambling market,
 25 persons bet on NFL games, correct?

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 this Study Commission Report, to your
 3 knowledge?
 4 A. I believe it's referenced in -- I'd
 5 like to look at either Commissioner Tagliabue
 6 or Commissioner Godell's statements. I'm not
 7 sure.
 8 Q. Mr. Ferazani, is the NFL aware that
 9 there is a multibillion dollar legal sports
 10 gambling market in Las Vegas?
 11 MR. DREYER: Objection as to
 12 foundation. You can answer.
 13 A. I'm sorry, is the NFL aware that
 14 there is sports gambling in Las Vegas? We're
 15 absolutely aware that there's sports gambling
 16 in Las Vegas in their casinos, as authorized
 17 under PASPA. The dollar value of that we
 18 don't monitor and we don't have studies, we
 19 don't receive reports from the casinos.
 20 Q. So the NFL does not monitor
 21 publicly available information regarding the
 22 scope of the legal sports gambling market in
 23 Nevada?
 24 MR. DREYER: Objection as to
 25 foundation. You can answer.

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 MR. DREYER: Objection as to
 3 foundation. You can answer.
 4 A. As part of the illegal sports
 5 gambling -- are people making illegal bets on
 6 NFL games in states in which that is illegal
 7 to do so? We're aware of that, yes.
 8 (Reporter interruption.)
 9 Q. Mr. Ferazani, is the NFL aware
 10 that, as part of the illegal sports gambling
 11 market in the United States, people bet
 12 illegally on NFL games?
 13 MR. DREYER: Same objection as to
 14 foundation. You can answer.
 15 A. Obviously the NFL does not have
 16 first-hand information about people making
 17 illegal bets on NFL games. However, given the
 18 media coverage of arrests for such activity,
 19 we are aware generally that people will make
 20 illegal wagers on NFL games.
 21 Q. Mr. Ferazani, if you could turn
 22 with me, please, back to Exhibit 1 which is
 23 the deposition notice. Do you see that the
 24 first topic listed on page 4 is your alleged
 25 standing to seek relief in this action?

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2 A. Yes.

3 Q. Do you know what "standing" is?

4 MR. DREYER: Objection to the

5 extent it calls for a legal conclusion.

6 He can answer as to his understanding.

7 A. As to my understanding, yes, I

8 believe I have a grasp of this but something I

9 did not review until this case.

10 Q. Maybe not since law school, right?

11 A. Maybe not since law school. That's

12 a fair statement.

13 Q. What is your understanding of what

14 standing is?

15 A. As it relates to this case, there's

16 probably two components: First is that PASPA,

17 in the text of the law, has provided the

18 sports leagues -- granted them authorization

19 to seek judicial intervention in instances in

20 which states seek to violate the law.

21 Equally or actually more

22 importantly, there's Article III standing

23 which is the party needs to have a claim or

24 controversy for which they can present to the

25 courts independent of or in conjunction with

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2 it would be harmed by New Jersey's

3 legalization of sports gambling, correct?

4 A. That is correct, yes.

5 Q. And one of the topics that you're

6 prepared to testify today relates to that

7 alleged harm, correct?

8 A. Yes.

9 Q. Now, what did you do to

10 specifically prepare for this topic relating

11 to standing, topic number 1?

12 A. I can't say that I can distinguish

13 topic by topic what I did to prepare for this

14 deposition. As I said, I generally reviewed

15 the documents that we produced and met with

16 counsel, I spoke with the folks that I

17 indicated, I was involved in the Delaware

18 litigation, and I've been involved in this

19 case from the beginning so...

20 Q. Are there any documents that the

21 NFL is relying on to support its standing in

22 this case?

23 MR. DREYER: Objection as to legal

24 strategy in the case. The witness is

25 here to testify as to facts, not legal

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2 the law.

3 Q. And, Mr. Ferazani, do you

4 understand that as part of Article III

5 standing, the NFL needs to demonstrate that it

6 has been harmed or would be harmed by New

7 Jersey's sports gambling law?

8 MR. DREYER: Same objection.

9 Ultimately the Court will tell us what we

10 need or don't need. But Mr. Ferazani can

11 answer as to his understanding.

12 A. And, you know, to be entirely

13 candid--which I have been from the beginning--

14 the interplay between the Article III standing

15 and the statutorily granted standing is

16 something that is a little bit unclear to me.

17 But I understand generally that a scintilla of

18 harm must be established or should be

19 established or what we're seeking to establish

20 for purposes of this case. But whether or not

21 that's required or not, I'm going to defer to

22 the much better educated gentleman to my left

23 here.

24 Q. And so to be clear, Mr. Ferazani,

25 you understand that the NFL is alleging that

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2 strategy. So you can answer as best as

3 you're able to without disclosing any

4 attorney-client privilege.

5 A. I don't know where to begin on that

6 one. I know that we produced documents to

7 counsel. I know that they have been working

8 diligently on filing papers against your

9 papers and what they're citing to. I'm not

10 sure what documents are more important or less

11 important.

12 (Exhibit 3: Complaint for

13 Declaratory & Injunctive Relief, was

14 marked for identification.)

15 BY MR. SIGLER (continuing):

16 Q. Mr. Ferazani, you've been handed a

17 copy of the document marked Exhibit 3. Please

18 feel free to review the entire document. I

19 will tell you in advance I will have a couple

20 of questions that relate specifically to

21 paragraphs 5 and 6 on page 3.

22 A. Okay.

23 Q. But please feel free to review the

24 entire document.

25 A. I'm familiar with this document.

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 Q. What is this document?
 3 A. This is the Complaint that we filed
 4 against Governor Christie, Mr. Rebeck and
 5 Mr. Zanzuccki, Z-A-N-Z-U-C-C-K-I, seeking to
 6 stop New Jersey's sports gambling law.
 7 Q. Did you review this Complaint
 8 before it was filed?
 9 A. I did.
 10 Q. Did you help prepare this
 11 Complaint?
 12 MR. DREYER: You can answer yes or
 13 no.
 14 A. Yes, I guess.
 15 Q. How did you help prepare it?
 16 MR. DREYER: Counsel, you're
 17 getting awfully close to privilege here.
 18 Can you give me a proffer as to where
 19 you're going with this?
 20 MR. SIGLER: I'm just trying to
 21 understand his familiarity with the
 22 document.
 23 MR. DREYER: Just give me a second.
 24 In answering --
 25 MR. SIGLER: Let me ask a different

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 NFL alleges would result from New Jersey's
 3 legalization of sports gambling in this case?
 4 MR. DREYER: Objection to the form
 5 of the question. You can answer.
 6 A. (Examining document.)
 7 It essentially summarized the
 8 themes. They can be expressed in several
 9 ways, but the threat to the integrity of the
 10 game, the threat to our fan's perception of
 11 our game as reflected in those paragraphs are
 12 at the core of the issue.
 13 Q. So at a high level at least, the
 14 two harms that the NFL is alleging in this
 15 case are to the integrity of the NFL's game
 16 and to its fans' perception; is that right?
 17 MR. DREYER: Objection to the form
 18 of the question. Counsel we're playing
 19 games here. There's an entire
 20 declaration from the NFL and you know it,
 21 so I think this entire line of
 22 questioning is imperfect, but you can
 23 answer.
 24 A. As I said, the threat to the
 25 integrity of the game, the core threat -- one

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 question that may avoid the concern.
 3 BY MR. SIGLER (continuing):
 4 Q. Mr. Ferazani, did you help write
 5 any part of this document, the Complaint?
 6 A. Not in any true sense, other than
 7 everyone reviewed this as it went through.
 8 But it was drafted by our outside counsel.
 9 Q. Okay. But you approved this
 10 Complaint before it was filed, correct?
 11 A. Yes.
 12 Q. Okay. Let's turn to paragraphs 5
 13 and 6 on page 3. Are you familiar with these
 14 paragraphs?
 15 A. Yes, I am.
 16 Q. Do these paragraphs accurately
 17 summarize the harm that the NFL alleges in
 18 this case would result from legalizing sports
 19 gambling?
 20 MR. DREYER: Objection to the form
 21 of the question. You can answer.
 22 A. The assertions in paragraphs 5 and
 23 6 are accurate, yes.
 24 Q. Do paragraphs 5 and 6 in the
 25 Complaint summarize all of the harms that the

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 2 of the core threats, which is the increase in
 3 gambling that would result from New Jersey's
 4 attempt to violate the federal law, would
 5 result in threats to the actual integrity of
 6 the game by way of increasing the chances of
 7 match-fixing, corruption of officials and
 8 players.
 9 It would equally, importantly,
 10 affect the very way our sport is perceived by
 11 its fans, changing the sport -- the viewership
 12 from watching the athletic contest for the
 13 challenges of teams pitted against each other,
 14 strategy, to whether or not they were going to
 15 make money or lose money on a transaction; and
 16 a threat to the perception of how our youth
 17 view our sports and is sports something that
 18 is made for a way to make money or is it
 19 something that you can watch incredible
 20 athletes perform at a level that defies
 21 imagination.
 22 Generally I think those concepts
 23 are contained within paragraphs 5 and 6. I've
 24 seen it expressed in different ways. I've
 25 seen it expressed far more eloquently in

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 2 Commissioner Tagliabue's testimony before
 3 Congress for PASPA, I've seen it expressed in
 4 Commissioner Godell's declaration. But that
 5 theme is, as captured -- as is captured in
 6 paragraphs 5 and 6, is the essence of this
 7 issue.

8 Q. Is the NFL relying on Mr. Godell's
 9 declaration in support of its standing in this
 10 case?

11 MR. DREYER: Counsel, again, we're
 12 getting into questions of legal strategy.
 13 So the witness can answer as to his
 14 understanding, but we've gone fair afield
 15 with facts which is what we're here for.

16 A. I'm not sure if that was submitted
 17 for the preliminary injunction, which is no
 18 longer necessary, if it was submitted with
 19 respect to the motion for summary judgment or
 20 the motion to dismiss. Frankly I am not sure,
 21 you know, where that has been cited.

22 Q. Mr. Ferazani, one of the alleged
 23 harms that you mentioned concerned the
 24 integrity of the game, correct?

25 A. The integrity -- actual integrity

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 2 actually -- I've seen a study, or I don't know
 3 if it's an assertion from New Jersey, that you
 4 were hoping to generate \$10 billion worth of
 5 gambling annually. That's a giant amount
 6 of -- or significant amount of money changing
 7 hands based upon the outcome of our games.

8 As you increase the amount of money
 9 that's dependent upon the outcome of the
 10 games, by necessity you increase the chance or
 11 the lure for organized crime or other
 12 undesirable elements to try to fix our
 13 matches, to try to offer cash to either
 14 players or officials or others. That could
 15 influence -- or give a better gambler a
 16 leverage or an advantage in making a bet which
 17 would threaten the very integrity of our
 18 games.

19 Q. Does the NFL allege that New
 20 Jersey's legalization of sports gambling would
 21 result in an increase in match-fixing
 22 activity?

23 A. It would directly increase the
 24 threat of match-fixing activity because it
 25 would directly increase the amount of gambling

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 2 of the game as well as the fan's perception of
 3 the integrity of the game.

4 Q. And we'll get to the fans'
 5 perception in a minute. But first I'd like to
 6 talk about the harm to the integrity of the
 7 game, okay?

8 A. Sure, thank you.

9 Q. Can you describe the harm to the
 10 integrity of the game that would result, in
 11 the NFL's view, from New Jersey's legalization
 12 of sports gambling?

13 A. Sure. By virtue of -- if New
 14 Jersey is permitted to violate the federal law
 15 and condone State-sponsored gambling, it would
 16 not simply be a green light to State-sponsored
 17 gambling but economically -- the economic
 18 reality is that you would have advertisement
 19 for the casinos, possibly by the State,
 20 seeking to increase the prevalence of gambling
 21 across the country -- across the State and
 22 generally.

23 When you've increased the amount of
 24 money that's being wagered and the fans'
 25 perception of that and the money that's

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 2 that's occurring on our games. And, again,
 3 not to -- you cannot overemphasize this point:
 4 The essence of what we sell our fans is honest
 5 competition. One cannot even begin to
 6 estimate the impact that one match-fixing
 7 scandal could have on our income, our fan
 8 loyalty, and on the success of the National
 9 Football League.

10 Q. Mr. Ferazani, the NFL is alleging
 11 that New Jersey's legalization of sports
 12 gambling would directly increase the amount of
 13 gambling on the NFL's games; is that correct?

14 A. That's correct.

15 Q. What's the basis for that
 16 allegation?

17 MR. DREYER: Objection, asked and
 18 answered. You can answer.

19 A. As I indicated, by virtue of New
 20 Jersey's own estimation, they are expecting
 21 \$10 billion a year in wagering on sports if
 22 they're permitted to violate the federal law.
 23 That would result from the -- not only the
 24 State authorization but from the advertising
 25 that would result from the State and casinos

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 2 telling members of the public that sports
 3 gambling is okay -- it's not only okay but
 4 come on in and do it. It would change that
 5 from forbidden activity to permitted activity.
 6 Without the prohibition -- without
 7 sports gambling being illegal, there would be
 8 nothing preventing kids in college from coming
 9 in and placing a wager on a sport, which to
 10 date has not been permitted. So it's based
 11 largely on commonsense and an understanding of
 12 marketing and advertising, what the intent is,
 13 and from New Jersey's own statements that they
 14 intend to generate \$10 billion annually from
 15 this violation of federal law.
 16 Q. Where are you getting that \$10
 17 billion figure?
 18 A. I saw that, I believe, from either
 19 an article or a statement or -- an article
 20 referencing New Jersey's administrative
 21 regulation passage, I believe. I think it was
 22 \$1.3 billion expected to the state and 10
 23 billion to the -- from a general handle. It's
 24 going from my recollection when this was the
 25 history of the case as we were proceeding.

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 in the United States?
 3 MR. DREYER: Objection as to
 4 foundation. You can answer.
 5 A. No.
 6 Q. Does the NFL have any studies,
 7 analyses or estimates regarding how much
 8 sports gambling on NFL sporting events occurs
 9 in the United States?
 10 A. Not that I'm aware of, no.
 11 Q. Does the NFL have any information
 12 about the number of bets, number of people,
 13 number of dollars involved in gambling on NFL
 14 sporting events in the United States?
 15 MR. DREYER: Objection as to form
 16 and lack of foundation. You can answer.
 17 A. Not that I'm aware.
 18 Q. Does the NFL have any studies,
 19 analyses or other information about the amount
 20 of sports gambling on the NFL's Super Bowl?
 21 MR. DREYER: Objection as to
 22 foundation. You can answer.
 23 A. Not that I'm aware.
 24 Q. Does the NFL know how much sports
 25 gambling on NFL sporting events occurs in Las

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 Q. So you're referring to a news
 3 article?
 4 A. Quoting a New Jersey official or
 5 something that New Jersey filed with the law.
 6 Q. Is the NFL relying on the estimate
 7 of \$10 billion in this case?
 8 MR. DREYER: Same objection as to
 9 legal strategy. You can answer as to
 10 your understanding.
 11 A. \$10 billion? We're relying upon an
 12 increase in the amount of gambling that would
 13 occur in our game. Whether or not New
 14 Jersey's estimate is right or whether my
 15 recollection about New Jersey's estimate is
 16 right, we are relying upon a conclusion that
 17 New Jersey's violation of the federal law
 18 would increase the amount of gambling on our
 19 game.
 20 Q. Does the NFL know how much sports
 21 gambling on NFL's sporting events occurs in
 22 the United States?
 23 A. Could you rephrase that?
 24 Q. Does the NFL know how much sports
 25 gambling on the NFL's sporting events occurs

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 Vegas?
 3 A. Again, we're not in the gambling
 4 business. We don't have any such studies that
 5 we have -- we have not commissioned any such
 6 study and I'm not aware of any such study in
 7 our possession. I'm sure that the media has
 8 reported on it but, you know, that's other
 9 studies from other places.
 10 Q. Does the NFL have any studies,
 11 analyses or other information regarding the
 12 amount of sports gambling in New Jersey on NFL
 13 sporting events?
 14 A. You mean illegal sports gambling?
 15 Q. Any sports gambling in New Jersey.
 16 A. I'm sorry. Again, the NFL has not
 17 commissioned any such studies. We do not have
 18 any studies that we've conducted in our
 19 possession.
 20 Q. To the extent there is any illegal
 21 sports gambling on NFL sporting events in New
 22 Jersey, would you agree that legalizing sports
 23 gambling might cause some of the illegal
 24 sports gamblers to turn to legal sportsbooks?
 25 MR. DREYER: Objection as to

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
2 foundation and calls for speculation.
3 You can answer.
4 A. Again, without being able to tell
5 you if there is -- or the amount of illegal
6 sports gambling going on in New Jersey, the
7 studies or the testimony from law enforcement
8 when PASPA was passed in 1992, from FBI
9 supervisory special agents and from New
10 Jersey's Director of Gaming Enforcement, as
11 well as from my own experience generally as an
12 FBI agent, the -- there is no way for the
13 State to compete with organized crime or the
14 illegal enterprise in this. You are going to
15 have the State condoning gambling and taking
16 away the stigma associated with sports
17 gambling. You're going to have the State and
18 its casinos conducting advertising to entice
19 more people to gamble. You're going to have
20 kids who would not do something that's illegal
21 now engaged in the activity because the State
22 says it's okay.
23 But the State can't compete with
24 organized crime for both the fact that when
25 you win in the state casinos, your winnings

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2 going on and, in fact, I think the commonsense
3 dictates that it would increase the amount of
4 illegal gambling on.
5 Q. The NFL does not know whether
6 legalizing sports gambling in New Jersey would
7 reduce the amount of illegal sports gambling
8 in New Jersey, correct?
9 A. I think by relying upon the
10 testimony from law enforcement--and the only
11 testimony that was submitted in 1992--as well
12 as commonsense, I think that our belief is
13 that it, in fact, will not improve that
14 situation and, in fact, it will increase the
15 amount of illegal gambling going on in New
16 Jersey.
17 Q. The NFL believes that but doesn't
18 know it, correct?
19 A. I don't understand the distinction
20 between belief -- do I know that it's -- do I
21 believe that the sun is going to come up
22 tomorrow? Yes. Do we know it? No. I think
23 that given -- relying upon the testimony from
24 those that are in a better place than us, from
25 law enforcement and from New Jersey's own

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2 will be taxed. Illegal gambling I'm pretty
3 sure does not tax their winnings.
4 Illegal gambling and bookies are
5 able to offer perhaps better odds than the
6 State's able to offer. Bookies and other
7 unsavory characters can offer -- extend credit
8 to those who may not be able to qualify for
9 credit with a casino. And perhaps most
10 importantly, the very ease of being able to
11 place a bet in an illegal location would be
12 something that the casinos and the horse-
13 racing tracks in New Jersey would not be able
14 to match.
15 So you would have the State
16 increasing the amount of gambling generally,
17 taking away the stigma and then the population
18 going to find -- a certain percentage of the
19 population going to find where it is most
20 convenient to do so.
21 So there's absolutely nothing that
22 I've seen from the testimony in '92 or
23 subsequently that would indicate that the
24 State would -- legalizing gambling would
25 somehow reduce the amount of illegal gambling

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2 Director of Gambling Enforcement in 1992, I'm
3 comfortable in -- that is our understanding.
4 Could we be wrong? Sure. But that is our
5 understanding and I think it's a well-founded
6 belief.
7 Q. The NFL does not have any studies,
8 analyses or surveys to support that belief,
9 correct?
10 MR. DREYER: Objection to the form
11 of the question.
12 A. The NFL has been studying this
13 issue from its inception. So if you're
14 talking about a piece of paper or a -- you
15 know, some document based upon -- I'm not sure
16 what you're looking for. If you're looking
17 for a blind survey of New Jersey voters who
18 aren't informed about the issue, no.
19 But based upon the experience of
20 the National Football League, based upon the
21 information we've obtained from law
22 enforcement, it is our belief and
23 understanding that New Jersey's efforts to
24 violate the federal law will increase the
25 amount of illegal gambling going on on our

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2 game.

3 Q. Does the NFL have any economic
4 analysis to support that belief?

5 MR. DREYER: Objection to the form
6 of the question. You can answer it.

7 A. The only economic analysis that I
8 can give you is that the NFL has fought legal
9 sports gambling since its inception and has
10 grown from the fifth most popular sport to a
11 \$10 billion-a-year industry. And so by
12 analogy, what we are doing seems to be
13 working. As far as what New Jersey is doing
14 in an illegal environment, we have no such
15 analysis.

16 MR. DREYER: That was "illegal,"
17 correct?

18 (A discussion was held off the
19 record.)

20 BY MR. SIGLER (continuing):

Q. Mr. Ferazani, the NFL has a game
each year at Wembley Stadium in London,
correct?

24 A. That's correct.

25 Q. And, in fact, the NFL has had a

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 of the question.

3 A. Actually I know for a fact that
4 sports gambling in England is legal and
5 Wembley Stadium has a ticket booth to take
6 wagers at the stadium. I can tell you
7 unequivocally that those ticket booths for
8 gambling are closed when our games are played
9 at Wembley Stadium. So whether or not there's
10 gambling being done in other venues, I can't
11 tell you for sure.

12 Q. Are you aware that bets are taken
13 at other venues close to Wembley Stadium?

14 MR. DREYER: Objection to the form
15 of the question. You can answer.

16 A. I don't have any first-hand
17 information about that.

18 Q. Other than the booths at Wembley
19 Stadium that are closed during the NFL's game,
20 does the NFL take any other steps to prevent
21 wagering on the NFL's game in London?

22 A. I believe that our policies with
23 respect to that game in London are consistent
24 with our policies here in the United States
25 with regard to broadcast restrictions,

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2 game each year at Wembley Stadium since 2007,
3 correct?

4 A. I believe so. I know that we have
5 a game, we've had it for several years.
6 Before that we had it in other countries as
7 well. But I will take your representation
8 that it's gone on since 2007.

9 MR. DREYER: No need to do that.
0 But you can answer as to your
1 understanding.

2 Q. Rather than taking my
3 representation, we will -- let me rephrase the
4 question.

5 The NFL has had a game at Wembley
6 Stadium in London for several years and is
7 continuing to do so in the future, correct?

8 A. That is absolutely correct, yes.

9 Q. Sports wagering is legal in London,
0 correct?

1 A. To my understanding, yes.

2 Q. And does the NFL acknowledge that
3 there is sports wagering on the NFL's game at
4 Wembley Stadium in London?

5 MR. DREYER: Objection to the form

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2 advertising. But beyond what we can control,
3 I'm not sure that there's anything else. We
4 control what we control and we do take steps
5 to make sure that those booths are closed and
6 that broadcast and sponsorship and the
7 advertising are consistent with the practice
8 followed in the United States.

9 Q. So does the NFL have any
10 information about how much sports wagering on
11 the NFL game in London occurs?

12 A. Not to my knowledge, no.

13 Q. Has the NFL had any sports
14 gambling-related problems that have arisen
15 from its game in London?

16 A. I'm not aware of any, no.

17 Q. Have there been any instances of
18 match-fixing that have arisen from having the
19 game in London each year?

20 A. Not that I'm aware of.

1 Q. Does the NFL have any estimate of
2 how much sports gambling on NFL sporting
3 events would occur in the United States if New
4 Jersey moves forward with legalizing sports
5 gambling?

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MR. DREYER: Objection, asked and answered. You can answer.

A. There will be more sports gambling if New Jersey is permitted to violate the federal law. There will be significantly more. Quantifying that, it's impossible to do.

Q. So the NFL does not have any estimates, correct?

MR. DREYER: Objection, asked and answered.

A. I can tell you unequivocally there will be more sports gambling if New Jersey is permitted to violate the federal law. I'm not able to quantify how much more that would be.

Q. Is the NFL undertaking any analysis to try to estimate what the impact would be on the level of sports gambling if New Jersey moves forward with legalizing sports gambling?

A. No. We're focusing our efforts on stopping New Jersey's efforts, but we have not commissioned any studies.

Q. Does the NFL have any analyses or estimates about how New Jersey's legalization

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legalizing sports gambling in New Jersey, New Jersey will actually help Las Vegas generate more sports gambling?

MR. DREYER: Objection to the form of the question. You have his answer. But you can answer if you're able to.

A. I think if you've taken away the stigma involved with sports gambling generally, if you've added advertising extolling the virtues and the benefits of sports gambling, you're going to increase the amount of people that gamble on sports. Where they do that, I can't get into how much it's going to increase in Las Vegas, but our belief is that it will increase.

Q. Does the NFL have any studies, analyses or surveys to support that belief?

MR. DREYER: Objection, asked and answered. You can answer.

A. Other than, again, our experience, the testimony provided in 1992, the conclusions of the national -- of Exhibit 2 that an increase in gambling generally is going to increase -- sports gambling generally

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of sports gambling would impact the legal sports gambling in Las Vegas?

A. No, not that I'm aware of.

Q. Does the NFL know whether the availability of legalized sports gambling in New Jersey would cause the level of sports gambling in Las Vegas to go down?

MR. DREYER: Just give me a second.

Objection as to foundation. You can answer. Do you need the question read back?

THE WITNESS: I'm reading.

MR. DREYER: She can read it. It's probably a better practice.

(Requested portion read.)

A. I think our belief is that it would actually go up because if there's gambling -- if New Jersey's permitted to violate the federal law and advertise sports gambling, they're going to increase the amount of gambling generally. I think you will see an increase in gambling everywhere and that includes in Las Vegas.

Q. So the NFL's belief is that by

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will increase the prevalence of the population that engages in that activity, there's nothing specific analyzing New Jersey versus Nevada.

Q. What part of Exhibit 2 are you referring to that supports that belief?

MR. DREYER: Objection. I think he referred to the Commission and not to Exhibit 2 itself.

A. I'm sorry, 1992 --

MR. DREYER: You can answer.

A. The 1992 testimony, I think it may be referenced here in Exhibit 2 at page --

MR. DREYER: I think the problem is we have an incomplete exhibit so...

A. I may be misremembering, if that's a word.

Q. Mr. Ferazani, are you referring to testimony that was given to the Gambling Impact Study Commission in connection with its report?

MR. DREYER: Again, I have to interpose an objection because this is part of the problem when --

MR. SIGLER: Your objection is

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noted.

MR. DREYER: Let me finish and make my objection, Counselor. If you don't like it, that's fine. But let me make the record.

This is the problem when you mark an incomplete document. And so I think the question's objectionable because the witness hasn't been given the full commission report. But you can answer.

(Requested portion read.)

A. I'm not sure what I'm referring to.

Q. Does the NFL have any estimates of how much legal sports gambling on NFL sporting events would occur in New Jersey following New Jersey's legalization of sports gambling?

MR. DREYER: I think it was just asked and answered. But you can answer it.

A. Again, it is our understanding that there will be more gambling on our sport if New Jersey is permitted to violate the federal law. To quantify that, it's impossible.

Q. And the NFL has not undertaken any

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gambling is legalized in New Jersey, that there would be match-fixing?

MR. DREYER: Objection, asked and answered. You can answer.

A. We contend that the threat to the integrity of the game, the threat for match-fixing, will increase substantially if New Jersey is allowed to violate the federal law.

Q. But the NFL has not had instances of match-fixing despite a substantial legal sports gambling market in Las Vegas for many years, correct?

MR. DREYER: Objection to the form of the question, assumes facts not in evidence. You can answer.

A. And, again, I'm not sure how substantial or insubstantial the fact that Nevada's permitted to have a sportsbook. But through our rigorous enforcement, investigation and education of our players, League employees, and the steps we've taken, we have been fortunate not to have a match-fixing scandal in our history, that I'm

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effort to develop an estimate of that, correct?

A. I'm not sure how we would do that, but we have not.

Q. Mr. Perazani, does the NFL know how much match-fixing occurs with respect to NFL sporting events in the United States?

MR. DREYER: Objection as to foundation and to the form of the question. You can answer.

A. We believe there's been no match-fixing with regard to NFL games in the United States or anywhere else.

Q. What's the basis for that belief?

A. Our own internal enforcement and investigation. We've never uncovered any -- any of our games that have been fixed due to outside influences.

Q. You've never had any instances of match-fixing in the entire history of the NFL league?

A. To my knowledge, no. Going back decades.

Q. Does the NFL contend that if sports

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aware of. Even one match-fixing scandal, though, would be disastrous to the success of our league.

Q. Apart from the NFL's belief that legalizing sports gambling in New Jersey would increase the level of sports gambling on NFL sporting events, is there any other basis for the NFL's belief that there would be an increased risk of match-fixing?

MR. DREYER: Objection, asked and answered. You can answer. And I believe the question mischaracterizes the witness' prior testimony. But you can answer.

A. Yes. In addition to the fact that you're going to have more sports gambling by virtue of New Jersey's violation of the federal law, advertising, et cetera, as referenced in my prior answers, as I've also alluded to in the past, Commissioner Tagliabue testified quite eloquently about the general threat of removing the stigma of sports gambling.

You know, he testified about being

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 2 a young college basketball player and going to
 3 camp, I believe; and at the camp with other
 4 elite players, there were people that were
 5 offering money to the other campers, other
 6 elite basketball players. And he said he
 7 didn't even consider it because gambling was
 8 illegal, sports gambling was illegal, and he
 9 would not associate with such a stigma. That
 10 was what kept him from going down a path that
 11 other players chose not to and actually who
 12 took money, eventually were embroiled in a
 13 scandal.

14 Removing the social stigma from
 15 sports gambling would result in a substantial
 16 increased threat because once you take away
 17 that stigma, there would be no more deterrents
 18 for players or officials to associate with
 19 gamblers or bookies or that segment of
 20 society.

21 Q. Is it the NFL's contention that
 22 there is currently a social stigma associated
 23 with sports gambling?

24 A. I think there's a bright line that
 25 we're allowed -- that we have with our players

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 2 what -- you know, what goes on in Las Vegas.
 3 I can just tell you that the fact that this
 4 activity is illegal in the vast majority of
 5 states assists us in protecting our game.

6 Q. Mr. Ferazani, one of the harms that
 7 the NFL alleges in this case is that
 8 legalizing sports gambling in New Jersey will
 9 affect the public's perception of the
 10 integrity of the game. Correct?

11 A. It will change the public's
 12 perception in many ways: One of the ways that
 13 it will change it is that folks that are now
 14 engaged in State-sanctioned sports gambling
 15 will be viewing our contests in a different
 16 way. They'll be viewing them as financial
 17 transactions. That would be at the forefront
 18 of many of our fans' perceptions of the game.

19 In any athletic contest, we see
 20 missed calls, we see dropped passes, missed
 21 field goals, we see coaching decisions which
 22 at present are debated on sports radio and by
 23 our fans on the merits of the play, on the
 24 ability of the athlete to make the play and
 25 whether or not the official blew a call. You

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 2 who understand that gambling is illegal,
 3 sports gambling is illegal and gambling on our
 4 game is forbidden, and associating with those
 5 that gamble on our game is forbidden.

6 Q. And that bright line would remain
 7 in place whether New Jersey legalizes sports
 8 gambling or not, correct?

9 A. Well, currently those that gamble
 10 except in Nevada are criminals. So that
 11 bright line would be erased if New Jersey's
 12 permitted to violate the federal law and the
 13 federal law then is stricken. So what is a
 14 nice bright line for people engaged in
 15 criminal activity versus those not engaged in
 16 criminal activity goes away.

17 Q. So does that bright line exist
 18 today in Las Vegas?

19 MR. DREYER: Objection to the form
 20 of the question. You can answer.

21 A. Well, Las Vegas which is known as
 22 sin city, I'm not quite sure if that stigma's
 23 been removed there, either. It markets itself
 24 as I guess, you know, appealing to any vice
 25 you want to engage in. I can't tell you

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 2 don't see a debate -- the forefront of the
 3 debate is not is the game fixed or not.

4 If our fans' perception changes to
 5 the debate about whether or not an official is
 6 corrupt or an athlete is on the tank, you've
 7 materially and irreparably changed our fans'
 8 perceptions of our game.

9 Q. Does the NFL have any studies or
 10 analyses regarding the extent to which fans
 11 currently have the perception that NFL matches
 12 are being fixed?

13 A. As I've alluded to in the past, our
 14 focus and our purpose as a league is to
 15 protect the shield and to have a general
 16 understanding of our fans' beliefs. And we
 17 read the media reports about our games and our
 18 athletes, and it is our present position that
 19 there is not a belief among our fans that our
 20 games are fixed. Our fans believe that what
 21 they're watching on the field is honest
 22 competition. That is the appeal of our sport.

23 Q. So the NFL's belief is that its
 24 fans currently do not have the perception that
 25 games are being fixed, correct?

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2 A. That is our belief and
3 understanding.

4 Q. Do you have any studies or analyses
5 to support that belief and understanding?

6 MR. DREYER: Objection, asked and
7 answered.

8 A. Again, that's our purpose as far as
9 making sure that our fans have a healthy
10 perception of our games. As far as a
11 telephone survey of fans, I don't have
12 anything like that. I do know that our media
13 folks and the Commissioner's first duty is to
14 make sure that the fans' perception of our
15 games and the actual games themselves are
16 honest and fair competition.

17 If we became aware of a perception
18 that there our games was fixed, that would be
19 a huge issue and we would be seeking to
20 address it immediately.

21 Q. But the NFL doesn't have any
22 studies or analyses regarding the extent to
23 which its fans have a perception that NFL
24 games are being fixed, correct?

25 A. Again, I think we're going back and

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2 Q. Mr. Ferazani, you know what a
3 consumer survey is, correct?

4 A. My understanding it can have
5 several forms: telephone, in-person, mail.
6 Just questions that are asked to members of
7 the population.

8 Q. The NFL has a -- does the NFL have
9 a consumer research group?

10 A. We outsource that. There's a
11 person that is charged with figuring out if we
12 need to have certain studies done, yes.

13 Q. Who is that person?

14 A. Alicia Rankin, R-A-N-K-I-N.

15 Q. Has the NFL commissioned any
16 consumer surveys regarding the extent to which
17 its fans have a perception that its matches
18 are being fixed?

19 A. To the extent we've outsourced and
20 had a random telephone sampling done of our
21 fans, the answer is no. But the true study
22 and the experience of the League from the
23 executives of the League, marketing, teams,
24 clubs, is that our fans do not believe our
25 sport is fixed. And that is the ultimate goal

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2 forth a bit about studies or analyses. So I'm
3 telling you that the League's purpose every
4 day is to analyze and study our fans and what
5 is on the media. You know, our Commissioner
6 interacts with fans on a daily basis. The
7 owners of our teams interact with our fans, we
8 monitor the message boards, we read the media
9 accounts.

10 And we know that for the past, you
11 know, several decades we've grown steadily,
12 and our fans' relationship with the League and
13 the clubs has increased steadily to its
14 present point which is now a \$10 billion plus
15 a year business. If our fans believed that
16 what they were watching was something akin to
17 wrestling or Jai Alai, we would not be the
18 most popular sport in America.

19 Indeed those are good examples as
20 far as experience of a league, knowledge of
21 the executives that run the League, where an
22 affiliation and identity that is too closely
23 associated with gambling--in fact, Jai Alai's
24 purpose is gambling--would be disastrous to
25 the League's health and financial security.

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2 and duty and responsibility of the
3 Commissioner.

4 So we wouldn't need to do a study
5 because that issue would be at the core of our
6 existence. We wouldn't need to have a phone
7 study done for us to realize that there was a
8 real problem with our connection with our
9 fans. I would submit to you that the NFL,
10 perhaps better than any other organization, is
11 in tune with our fans' perception of our
12 shield because that is all we are selling our
13 fans, is the integrity of the NFL shield, the
14 honesty and purity of the sport we put on.
15 That's what brings them back. We're not
16 selling them cars or anything else.

17 So it's something that is at the
18 forefront of consciousness of our executives,
19 but there is no study commissioned from a
20 third party that I'm aware of.

21 Q. Has the NFL conducted any consumer
22 surveys regarding the extent to which the
23 NFL's fans have a perception that is
24 influenced based on the legalized sports
25 gambling market in Las Vegas?

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A. I'll never remember.

MR. DREYER: I -- objection to the form of the question. You can answer if you understand it. She can read it back. (Requested portion read.)

A. Not that I'm aware of.

Q. Has the NFL done any consumer surveys regarding its fans' perceptions generally about the integrity of the game?

A. And, again I --

MR. DREYER: Just let me interpose an objection because I think we may be going far off of the 30(b)(6) topics. So with that objection, you can answer.

A. And, again, our fans' perception of the integrity of our game is at the forefront of what we do every day. It's something that we understand based upon all of our executives' interactions with our fans, our Commissioner's interactions with our fans, the club interactions with the fans and players' interactions with the fans.

If there was any indication that our fans were concerned about the integrity of

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financially; in other words, doing it as a financial transaction where you place a wager on one team or the other rather than watching a team, watching an athlete, developing an affinity for the club and team and having a long-term relationship with the League and the club.

Q. And how does it harm the NFL if someone is watching a game because of a financial interest rather than a rooting interest in a team?

A. There's a host of ways: First, if a fan is no longer -- a fan that's watching it purely for a financial interest, if the wager that they place goes the wrong way, it may cause them to resent their team, may cause them to blame their team for the financial issues that they're having. That does not lead to a long-term relationship.

What the NFL is focused upon is developing a long-term relationship with its fans and a broad-based relationship where a fan has an affinity for a specific team or a series of teams or specific athletes and goes

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our sport, that would be brought to the attention of the Commissioner immediately and we would take steps to address it.

So in the fact that we do it every day, that's our job, we have -- we study that. But to the extent have we had a telephone survey done of our fans or -- not to my knowledge.

MR. DREYER: We've been going about an hour and a half. If we're going to move to another topic, can we take a short break.

MR. SIGLER: Fair enough. Give me a second. All right. Let's take a break.

(Recess taken 11:43-11:56 a.m.)

BY MR. SIGLER (continuing):

Q. Mr. Ferazani, one of the alleged harms that you referred to this morning related to consumers' interest in the games because of a financial interest. Correct?

A. It was replacing the fans' interest in our games for the athletic contest, the sport, for a way or means to an end

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to games, purchases merchandise and develops a very long-term relationship with teams and athletes and the sport.

Q. Does the NFL have any consumer surveys or research about the number of fans who currently watch NFL games because of a financial interest rather than a rooting interest?

A. Not to my knowledge. And the financial interest being those that watch for gambling purposes?

Q. Well, the NFL's concern is that it does not want people watching its games because of a financial interest, correct?

MR. DREYER: Objection, mischaracterizes testimony. You can answer.

A. Our concern is that if you put wagering at the forefront of the reason for the relationship, that materially changes the nature of that relationship where a fan who's purely watching for a financial transaction, if that transaction goes poorly for the fan, they lose their bet, they may then blame the

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2 Giants if they paid 50 bucks on the Giants and
3 the Giants play poorly. They may then get
4 angry and turned off and are much more quickly
5 to stop supporting a team if they lose money
6 because of that team.

7 Our focus are for the fans that
8 we're looking to develop, and the fans that
9 benefit us are those that develop an affinity
10 for the team, watch the team through thick and
11 thin, identify with certain athletes. Those
12 fans will go each and every week, they'll buy
13 merchandise, they'll attend games, watch TV,
14 watch our broadcasts. And it's the type of
15 fan we're seeking to develop.

16 Q. Does the NFL have any consumer
17 surveys or research regarding the number of
18 people who watch NFL games because of a
19 financial interest in the outcome of the game?

20 MR. DREYER: Objection. I think
21 this was asked and answered. But you can
22 answer.

23 A. Can we quantify the number of
24 people who are watching it purely because of a
25 financial interest? I don't have any studies

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2 or not. But what I searched for when we did
3 our document response was specifically
4 gambling-related studies. I'm not sure if
5 other such studies exist that aren't related
6 to the topics covered in the 30(b)(6) notice
7 or the document request.

8 Q. The NFL would like its fans to
9 develop a long-term interest and to watch
10 games to develop that interest, correct?

11 A. Yes.

12 Q. Does the NFL have any consumer
13 surveys or research about the number of fans
14 who have that long-term interest?

15 MR. DREYER: Same objection with
16 respect to the 30(b)(6) topics. But you
17 can answer as to your understanding.

18 A. Other than an understanding from
19 our business model and the fact that the sport
20 has grown in popularity each year, I don't
21 know that -- I'm not comfortable, I'm not
22 comfortable answering about studies beyond the
23 scope of gambling or financial interest.

24
25

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2 to that effect.

3 Q. Does the NFL have any consumer
4 research or studies about why people watch NFL
5 games?

6 MR. DREYER: Objection. I think
7 we're beyond the 30(b)(6) topic. But you
8 can answer as to your understanding.

9 A. I'm not sure what -- you know, I'm
10 not sure where you're heading. Why people
11 watch? I'm not sure -- maybe you could
12 rephrase that.

13 Q. Sure, let me try.

14 Does the NFL have any consumer
15 research or studies about the reasons why its
16 fans watch particular games?

17 MR. DREYER: Same objection. You
18 can answer.

19 A. We may. I'm -- I don't know off --
20 as I sit here today specifically. I don't
21 know if I'm understanding your question or not
22 but --

23 Q. You said you're not understanding
24 my question?

25 A. I don't know if I'm understanding

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2 (HIGHLY CONFIDENTIAL PORTION:)

3 BY MR. FERAZANI (continuing):

4 Q. Mr. Feraazani, earlier today I think
5 you said that the NFL is a \$10 billion-
6 per-year industry. Do I have that right?

7 A. Roughly right, give or take a few
8 hundred million either way.

9 Q. Is that \$10 billion figure a
10 revenue figure?

11 MR. DREYER: Let me just mark this
12 section "Highly Confidential." We'll
13 review it. I'm not sure how much of this
14 is public or nonpublic. So in an
15 abundance of caution, let's go to "Highly
16 Confidential" designation as of 87:7.

17 A. And my answer is based upon public
18 reports of \$10 billion a year in revenue.
19 That's my understanding.

20 Q. Much of that comes from TV
21 contracts, correct?

22 A. Yes.

23 Q. And the reason the NFL can command
24 such significant TV contracts is because its
25 games are watched by lots of people, correct?

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A. Not only that but the fact that our games are things that people want to watch live and it's very well positioned, with Sunday afternoons being like what most of the games are. It's becoming not only just a game but it's an event that people build their day around. But certainly it's part of the fact -- it reflects the popularity of the League and the sport.

Q. The NFL benefits from its high TV ratings regardless of the reason why people are watching those games, correct?

MR. DREYER: Objection to the form of the question. You can answer.

A. Well, certainly the dollar value of those contracts reflect the ratings that our games generate.

Q. And those ratings are beneficial to the NFL regardless of why people are watching the games. Correct?

MR. DREYER: Objection to the form of the question. You can answer.

A. Well, again, you know, I think it's important to note that as a league, from the

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in interest in the NFL?

MR. DREYER: Objection as to foundation. You can answer.

A. I would be -- I don't want to guess as far as what impact it's had. We've been profitable. We've done better each year, but I'm not -- I can't tell you what impact Nevada's or Las Vegas' decision has made.

Q. Does. The NFL take any steps to discourage its fans from watching games because of financial self-interest rather than a rooting interest?

A. I think the NFL markets itself based upon the purity of its sport, the healthy athletic competition and the fact that you're able to watch athletes perform feats that regular folk can't do. So our focus with our relationship with our fans is on those -- those aspects of the game.

Q. Mr. Ferazani--and please feel free to refer to the Complaint--I'd like to make sure I'm tracking the harms that the NFL is alleging in this case. You've mentioned that New Jersey's legalization of sports gambling

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Commissioner on down, our intent and focus is on long-term success and long-term building of the game. There's always choices that a league could make or that the NFL could have made for a quick, you know, spike in profit at the expense of the long-term profit. And our League and the cornerstone of our League is looking and planning for long-term success and sustainable profit and increase in percentages.

So I disagree with the premise that, you know, if there was something we could do with respect to -- if there was something we could do to spike one year, to spike our attendance for one year but would lead to a long-term decline in our fan -- in our relationship with our fans, that would not be beneficial to the League. We're not here for one year; we're here for the long-term duration. So in any business transaction, I think you need to weigh risks, benefits and we look long term.

Q. Has the legal sports gambling market in Las Vegas led to a long-term decline

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could affect the integrity of the NFL's games by resulting in match-fixing or increasing the risk of match-fixing; you've referred to the impact on perceptions of consumers about the integrity of the game; and most recently we've discussed the NFL's concern that legalized sports gambling will cause people to watch games because of a financial self-interest rather than a rooting interest.

Are there any other harms that the NFL is alleging that result from New Jersey's legalization of sports gambling?

MR. DREYER: Objection, asked and answered. You can answer.

A. And to be clear, it's the threat of all of those harms that is at the cornerstone of the League's fight against New Jersey's attempt to violate the federal law. But the list that you've provided coupled with the Complaint--and, again, the themes in both your question and the Complaint can be expressed in many different ways--but generally that is at the cornerstone of our issue.

Q. Are there any other harms you can

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2 think of that the NFL is alleging would result
3 from New Jersey's legalization of sports
4 gambling?

5 MR. DREYER: Objection, asked and
6 answered. You can answer.

7 A. The threat to the success of the
8 shield or to the perception of the shield both
9 by actual match-fixing -- the threat of actual
10 match-fixing is a substantial concern. If
11 even one game is found to have been fixed,
12 that would be -- would irreparably damage our
13 relationship with our fans, it would make fans
14 change the way that they view our games, and
15 it would lead -- it would be disastrous for
16 our long-term relationship with our fans.

17 The perception of our fans not only
18 would be impacted from actual match-fixing but
19 if the games -- if the focus of our fans
20 changed from watching football games for the
21 purity of the sport and healthy competition
22 and for the contests themselves to a financial
23 transaction and changed the fundamental nature
24 of the relationship with our fans, that would
25 also be -- irreparably damage our long-term

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2 increased threat of match-fixing which we've
3 discussed -- and that threat and that risk is
4 a very real one and one that, as a business,
5 the NFL needs to factor into its decision as
6 to whether this is good or bad or this could
7 be harmful or not.

8 But the increase in sports gambling
9 and the fact that New Jersey would now be
10 telling its citizens and its youth that sports
11 gambling is okay and is not a forbidden or
12 prohibited activity changes the perception of
13 our sport. As soon as that law -- as soon as
14 New Jersey begins granting casino licenses,
15 that fundamentally changes the nature of our
16 relationship with our fans and what our sport
17 represents to the citizens of New Jersey.

18 On our long-term basis, that will
19 impact -- and on a short-term basis that will
20 deleteriously impact our relationship with our
21 fans. That is based upon our experience, upon
22 our business model, you know, suffice it to
23 say that.

24 Q. Okay. In case any of us cannot
25 recall, the question was actually about

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2 relationship with our fans.

3 Those threats could manifest
4 themselves in many different ways, but that I
5 think -- we may be saying the same thing, but
6 I just want to be clear that, as I sit here
7 today, that's the cornerstone of our issue.

8 Q. Are there any other harms that the
9 NFL is alleging in this case?

10 MR. DREYER: Objection, asked and
11 answered. You can answer.

12 A. I think that's the list, you know,
13 incorporated in the Complaint.

14 Q. The NFL is not alleging that New
15 Jersey's legalization of sports gambling will
16 result in any financial loss to the NFL,
17 correct?

18 MR. DREYER: Objection,
19 mischaracterizes the witness' prior
20 testimony. You can answer.

21 A. We absolutely are. And as I've
22 explained, if New Jersey is permitted to
23 violate the federal law, that will result in
24 an increase in sports gambling, period. That
25 increase will have not only resulted in the

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2 financial loss. Let me ask it again.

3 A. All right.

4 Q. The NFL is -- well, let me ask it a
5 different way. Strike that.

6 Is the NFL alleging that the
7 legalization of sports gambling in New Jersey
8 would result in financial loss to the NFL?

9 MR. DREYER: Objection, asked and
10 answered.

11 A. Yes, for the reasons that I just
12 went through in my long-winded answer. The
13 impact of our fans we can't quantify, but it
14 will change the relationship based upon our
15 experience as a league and the defense of our
16 shield. That relationship has resulted in the
17 League increasing its income in each and every
18 year for the past several decades.

19 By analogy, you can look at
20 industries and sports that closely affiliated
21 themselves with gambling and became identified
22 solely with gambling such as those that are
23 set forth in PASPA itself--the horse racing
24 industry which incidentally is now at a point
25 where, my understanding, the New Jersey law is

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 2 designed to save the horse-racing industry in
 3 New Jersey because of its relationship with
 4 gambling. It used to be one of the most
 5 watched events in America; and over the course
 6 of decades, as the NFL has increased in
 7 popularity because it's viewed as a sport and
 8 athletic competition, horse racing has
 9 declined in every state in which it's offered.

10 And I would submit to you, and this
 11 is not based on a study but based on
 12 experience, that it is known just as a vehicle
 13 for gambling; Jai Alai, dog racing. That
 14 history and that experience is upon what we
 15 base our assertion that allowing New Jersey to
 16 violate the federal law would negatively
 17 impact our bottom line.

18 Q. The NFL doesn't have any estimates
 19 of financial loss that it contends would
 20 result from New Jersey's legalization of
 21 sports gambling, correct?

22 A. We're unable to quantify that other
 23 than our understanding and belief that it will
 24 negatively impact our relationship with our
 25 fans and will negatively impact our long-term

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 2 previously testified to, we believe that it
 3 will negatively impact our ratings and our
 4 relationship with our fans, our long-term
 5 relationship with our fans.

6 Q. Does the NFL have any information
 7 about how the legal sports gambling market in
 8 Nevada has impacted the NFL's TV ratings?

9 A. Do we have any information about
 10 that impact? Not that I'm aware of.

11 Q. Does the NFL have any studies or
 12 analyses showing that the legal sports
 13 gambling market in Nevada has driven down the
 14 NFL's TV ratings?

15 A. I am not aware of any such studies,
 16 no.

17 Q. The NFL's most recent TV contracts
 18 are substantially more advantageous to the NFL
 19 than their previous contracts, correct?

20 MR. DREYER: Objection to the form
 21 of the question. You can answer.

22 A. I believe we generate more revenue
 23 from them.

24 Q. The NFL's most recent TV contracts
 25 are billions of dollars larger than the

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 2 growth.

3 Q. Is the NFL alleging that New
 4 Jersey's legalization of sports gambling would
 5 result in decline of TV ratings to the NFL?

6 A. For the reasons that I've
 7 previously answered and the negative impact on
 8 our fans' perception, it will -- and our
 9 belief is that it will negatively impact the
 10 long-term growth of our sport and the
 11 long-term popularity of our sport which will
 12 consequently impact viewership. We aren't
 13 able to quantify it. We don't believe it's
 14 good and healthy for the League, which is why
 15 we're doing what we're doing here.

16 Q. So the NFL does not have any
 17 estimate of how specifically New Jersey's
 18 legalization of sports gambling would affect
 19 its TV ratings, correct?

20 MR. DREYER: Objection to the form
 21 of the question.

22 A. We're unable to quantify to what
 23 extent New Jersey's violation of the federal
 24 law will impact our sports -- our broadcast
 25 ratings. However, for all the reasons I've

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 2 previous TV contracts, correct?

3 MR. DREYER: Objection as to
 4 foundation and, again, beyond the scope
 5 of the 30(b)(6) topics. But you can
 6 answer.

7 A. Over the course of those
 8 extensions, there are billions of dollars more
 9 that will be going to the NFL from those TV
 10 contracts reflecting the NFL's enhanced
 11 popularity.

12 Q. And the NFL has been able to get
 13 those contracts despite the illegal sports
 14 gambling market in Las Vegas, correct?

15 MR. DREYER: Objection to the form
 16 of the question. You can answer.

17 A. I would say the NFL has been able
 18 to get those contracts due to the NFL and the
 19 other sports leagues' successful fight against
 20 sports betting in the country so that our fans
 21 and our long-term relationship with our fans
 22 has continued to increase.

23 Fans view NFL games for the purpose
 24 of the sport, the athletic contests and the
 25 unbelievable feat of our athletes. It is

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2 because of that that the NFL has committed the
3 resources it has, not just in PASPA back in
4 1992 but in defending the law in Delaware and
5 here in a couple instances and also fighting
6 for the Unlawful Gambling Internet Act.

7 The NFL is a revenue-generating
8 business. If the NFL believed that sports
9 gambling would allow it to increase its
10 revenue, the NFL would engage in that
11 activity. Based upon our studies and
12 analysis, we know that that will negatively
13 impact our long-term relationship with our
14 fans, negatively impact our bottom line and
15 revenue and negatively impact the perception
16 of our sport across the country.

17 So I don't think that -- I believe
18 your question may be viewing it from the -- we
19 would disagree with the vantage point from
20 which your question was presented.

21 (Exhibit 4: Constitution and Bylaws
22 (#PLAINTIFFS' 00001858-1861), was marked
23 for identification.)

24 BY MR. SIGLER (continuing):

25 Q. Mr. Ferazani, you've been handed a

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2 whatever we produced to counsel was the most
3 recent revision. I'm not sure of June 1,
4 2010. I gave him all of our copies. I'm not
5 trying to be difficult. I just -- I believe
6 it is, but I will defer if we produced
7 something more recently.

8 Q. Is the Constitution and Bylaws of
9 the NFL the governing document for the NFL?

10 MR. DREYER: Objection to the form
11 of the question. You can answer.

12 A. This is -- at the part of the NFL
13 there is also a collective bargaining
14 agreement with some of our unions. But with
15 regard to the rules that are at the core of
16 the NFL, the Constitution and Bylaws would be
17 at the core.

18 Q. Can you turn with me, please, to
19 the page that has the number on the bottom
20 right corner 1860.

21 A. Sure.

22 Q. So I'll read it into the record.
23 The complete Bates number is Plaintiffs'
24 00001860. Do you see subpart (c) towards the
25 top of the page?

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
2 copy of the document marked Exhibit 4. Please
3 review this document and tell me whether you
4 recognize it.

5 A. (Examining document.)

6 This is the Constitution and Bylaws
7 of the National Football League as revised by
8 June 1, 2010.

9 Q. Is this the current -- well, strike
10 that.

11 First let me clarify: This is a
12 portion of the Constitution and Bylaws,
13 correct?

14 A. That's correct.

15 Q. And I'll represent that this was
16 the portion that was produced by Plaintiffs in
17 the litigation. Is this the current version
18 of this portion of the Constitution and
19 Bylaws?

20 MR. DREYER: I'm not sure it's
21 intentional, but I think your
22 representation was inaccurate. But you
23 can answer the question.

24 A. I believe -- the only reason I'm
25 hesitating is I'm not sure if there was a --

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2 A. Yes, I do.

3 Q. What is this provision?

4 A. Broadly, this is the antigambling
5 provision and the Constitution and Bylaws
6 granting the Commissioner the authority and
7 charging him with the responsibility to
8 prevent that those connected with or employed
9 by the League don't engage in sports gambling
10 or football gambling in our sport.

11 Q. Does this provision apply to all
12 NFL players, coaches and officials?

13 A. It does.

14 Q. Does it also apply to employees of
15 the NFL?

16 A. It does.

17 (Exhibit 5: NFL Constitution and
18 Bylaws excerpt (#PLAINTIFFS' 00003261-
19 264), was marked for identification.)

20 MR. SIGLER: Can we go off the
21 record for a second.

22 (A discussion was held off the
23 record.)

24 MR. SIGLER: I'd just like to
25 clarify something for the record. We

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
2 just had a discussion off the record
3 between counsel and the previous exhibit
4 which was Exhibit -- the previous
5 exhibit, Exhibit 4, was a portion of the
6 Constitution and Bylaws that was produced
7 in the litigation but not the only
8 portion.

9 Let's go off the record.
10 (A discussion was held off the
11 record.)

12 BY MR. SIGLER (continuing):

13 Q. Mr. Ferazani, you've been handed a
14 copy of a document marked Exhibit 5. Please
15 review this document and tell me whether you
16 recognize it.

17 A. I do.

18 Q. What is this document?

19 A. It appears to be the Constitution
20 and Bylaws of the National Football League of
21 2006, a portion of it.

22 Q. And turning to the page with the
23 Bates number 3263 at the bottom, this is the
24 same provision that we just reviewed in the
25 2010 version, correct?

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2 production, but they both start with 1858
3 and they then have different pages that
4 follow. So I'm not sure what the issue
5 is, but I want to flag it.

6 MR. SIGLER: Can I see the witness'
7 copy? Because my copy doesn't have that.
8 The previous document you're saying, the
9 previous exhibit, Exhibit 5, has the same
10 Bates number?

11 MR. DREYER: So Exhibit 4 and
12 Exhibit 6 have as the cover page
13 Plaintiffs' 1858, the first page of the
14 exhibit.

15 MR. SIGLER: Oh, yeah, I see that.

16 MR. DREYER: And then what follows
17 are different pages and different
18 excerpts from the constitution, so it's a
19 little unclear what we have here. And I
20 obviously don't have our full production
21 in front of me, but it may just be that
22 when you prepared Plaintiffs' 6, you
23 copied the cover page. But without the
24 production in front of me, I can't be
25 sure what the issue is.

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2 A. Yes.

3 Q. And this provision gives the
4 Commissioner authority to impose penalties on
5 NFL employees, players and officials for
6 violating the League's gambling policy,
7 correct?

8 A. Yes, it does.

9 Q. Are you aware of any other versions
10 of this provision, subpart (c), during the
11 period 2006 through the present?

12 A. I'm not, no.

13 (Exhibit 6: (Withdrawn)
14 (#PLAINTIFFS' 00001858-863), was marked
15 for identification.)

16 BY MR. SIGLER (continuing):

17 Q. Mr. Ferazani --

18 MR. DREYER: I'm sorry, is this the
19 same document?

20 MR. SIGLER: This is Exhibit 6.

21 MR. DREYER: Here's my issue. They
22 start with the same Bates number, they
23 have different Bates numbers that follow.
24 So I don't know if you prepared
25 compendium or if there are issues in the

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2 MR. SIGLER: All right.

3 MR. WEGNER: There are different
4 years. In other words, it's the same
5 cover page but it's for different years.
6 The one that is 3261 is the '70 and the
7 one that is 1858 is the 2010. I think
8 that may be --

9 MR. SIGLER: Let's go off the
10 record.

11 (A discussion was held off the
12 record.)

13 MR. SIGLER: So for the record,
14 Counsel have just had a discussion off
15 the record. We are withdrawing Exhibit 6
16 and are going to proceed on to Exhibit 7.
17 (Exhibit 7: Constitution and Bylaws
18 excerpt Article IX (#PLAINTIFFS'
19 00004171-178), was marked for
20 identification.)

21 BY MR. SIGLER (continuing):

22 Q. Mr. Ferazani, you've been handed a
23 document marked Exhibit 7, and please review
24 this document and my first question is going
25 to be whether you recognize it.

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A. (Examining document.)

This appears to be a portion of our Constitution and Bylaws.

Q. Do you know whether this is a portion of the current edition of the Constitution and Bylaws?

A. I'm sorry, I don't. I --

MR. DREYER: Counsel, if it helps, I can represent on the record that it's our understanding that this is the current Article IX from the current Constitution and Bylaws, and I believe this was produced last Friday.

MR. SIGLER: Thank you.

THE WITNESS: What he said.

Q. Mr. Ferazani, can you turn with me, please, to the second page of this document which has the Bates number 4172 in the bottom right-hand corner.

A. Okay.

Q. Please review subpart (6) if you need to, and I will have a couple of questions about it.

A. (Examining document.)

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other restrictions contained in paragraph 6.

Q. To your knowledge, is this provision in subpart (6) the current version of the NFL's policy about advertising gambling?

A. Yes.

Q. Does this policy apply to employees of the NFL?

A. It applies to employees of the NFL and employees of our member clubs.

(Exhibit 8: NFL Constitution and Bylaws 2006 Article IX (#PLAINTIFFS' 00003266-268), was marked for identification.)

BY MR. SIGLER (continuing):

Q. Mr. Ferazani, you've been handed a copy of a document marked Exhibit 8. Please review this document and tell me whether you recognize it.

A. It appears to be the Constitution and Bylaws of the NFL as of 2006.

Q. This is a portion of Article IX which is the same part that we were looking at in the previous exhibit, Exhibit 7. Correct?

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Okay, thank you. I've read it.

Q. Is this subpart (6) a summary of conduct that the League prohibits?

A. Subpart (6) addresses a portion of -- or it sets forth our rules regarding sponsorship, club sponsorship by gambling or lottery enterprises. A similar document is either enhanced or repeated in the gambling policy which is also a standalone document but reflects the same principle.

Q. Does the NFL permit some advertising by gambling operators at NFL sporting events?

A. I think it -- the NFL distinguishes between sports gambling and operators that permit gambling on sporting events versus those that are engaged in traditional casino-type gambling such as roulette, Black Jack or other cards. The NFL is concerned and restricts sports gambling. There are permission -- there is permission granted to our clubs to have sponsorship by either lotteries or certain casinos as long as they don't have a sportsbook, and there are also

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A. I'm sorry, can you rephrase that or repeat that?

Q. Sure. Let me break it down for you. If you turn to the second page of this document?

A. Yes.

Q. This is labeled Article IX Prohibited Conduct, correct?

A. Yes. Um-hmm, yes.

Q. And Article IX is the same part of the constitution that we were reviewing in the previous exhibit, Exhibit 7, correct?

A. Yes. And you're missing a page. Exhibit 8 goes from page 37 to 39.

Q. Yes, that's how it was filed.

MR. DREYER: Counsel, if there's a question about that, I'm happy to address it but it's your deposition.

MR. SIGLER: Are you offering to address it?

MR. DREYER: Sure.

MR. SIGLER: Why?

MR. DREYER: What I think has been marked as NFL 8 is the portion of the

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2 Constitution and Bylaws that were
3 appended to Commissioner Godell's
4 declaration in the Markell case. I
5 believe that to be so because of the
6 Pacer stamp on the top of the document
7 with the Case No. 09 CV 00538-GMS.
8 And so I believe that what has been
9 marked as NFL 8 was produced in this case
10 as a portion of Commissioner Godell's
11 declaration in the Markell case.
12 BY MR. SIGLER (continuing):
13 Q. Mr. Ferazani, this portion of the
14 Constitution and Bylaws lists prohibited
15 conduct including gambling-related conduct
16 that the NFL prohibits. Correct?
17 A. Are you on Exhibit 7 or 8?
18 Q. Exhibit 8. So let me go back and
19 reask the question.
20 Mr. Ferazani, Exhibit 8 contains a
21 portion of the NFL's constitution that lists
22 types of prohibited conduct, correct?
23 A. It lists types of prohibited
24 conduct, yes, it does.
25 Q. And these prohibitions apply to NFL

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2 employees, players and officials, correct?
3 A. Yes.

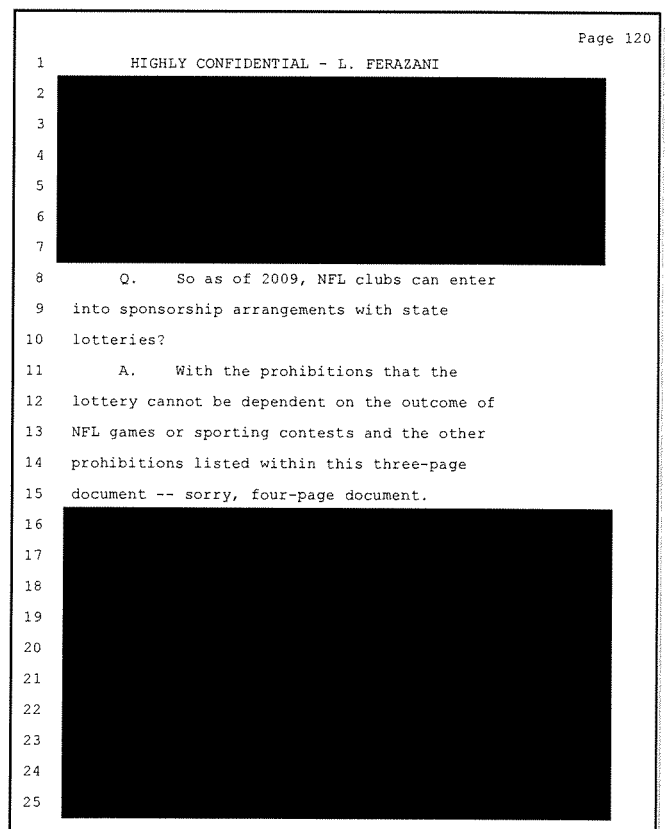
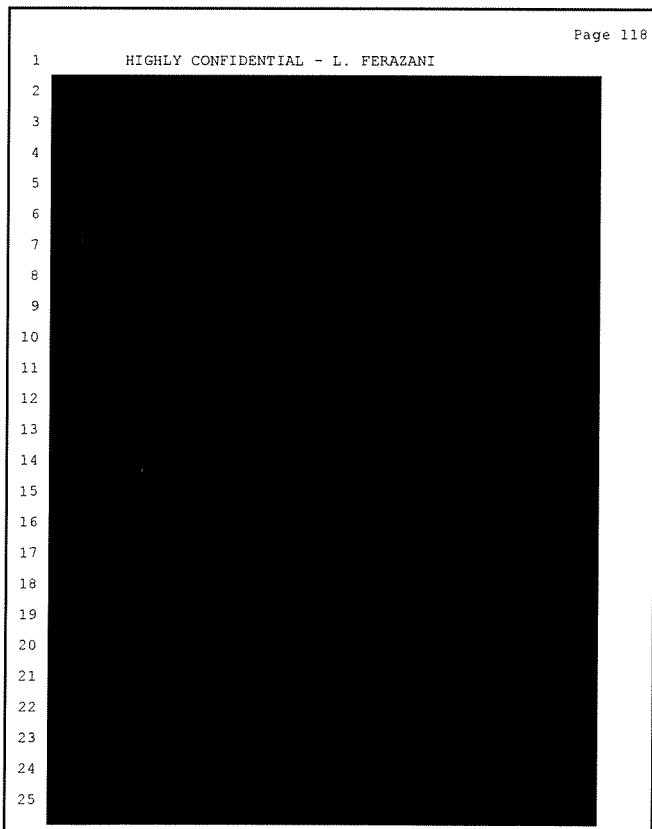
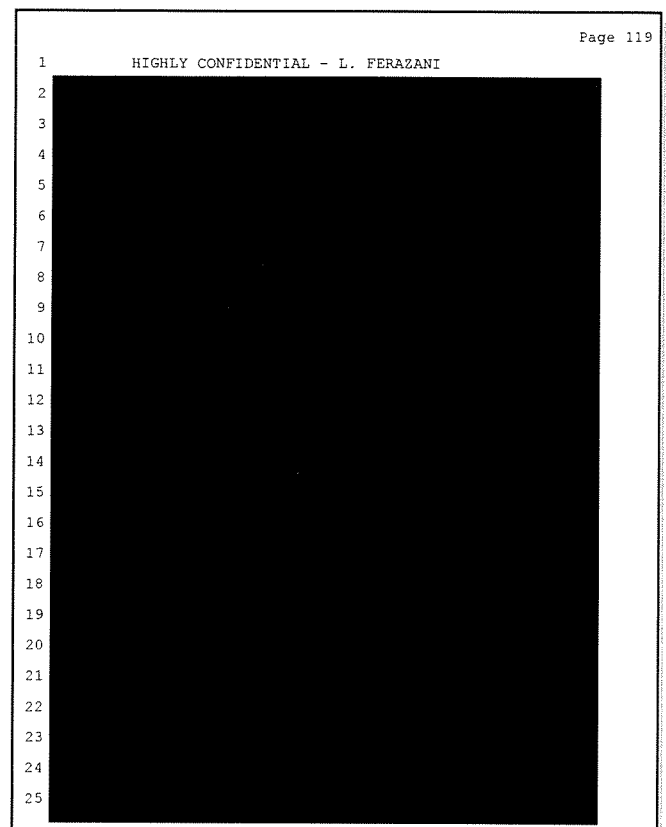
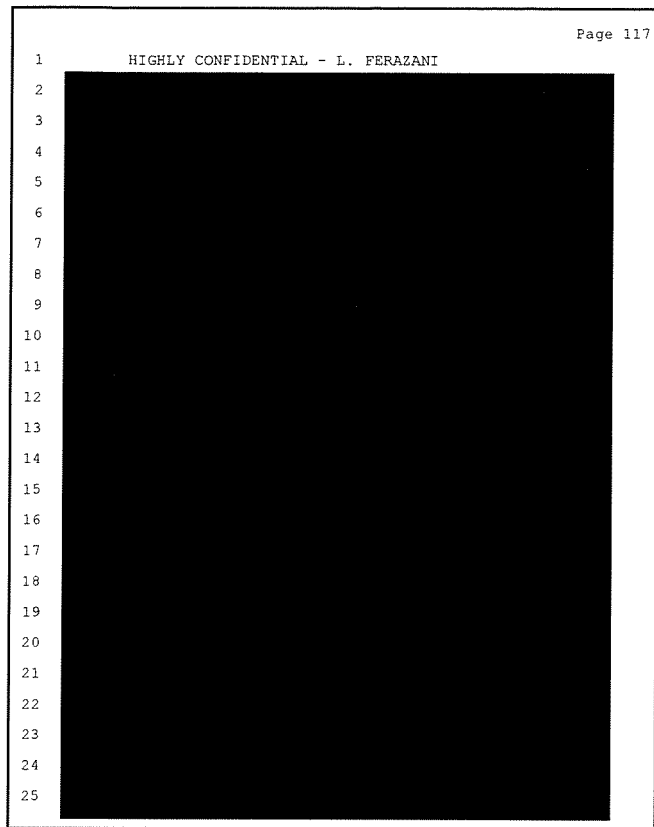
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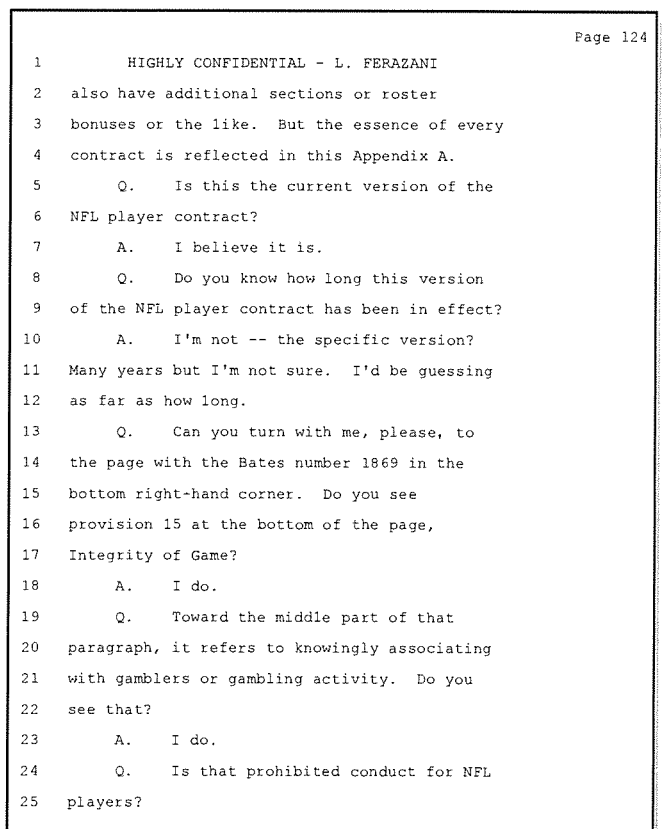
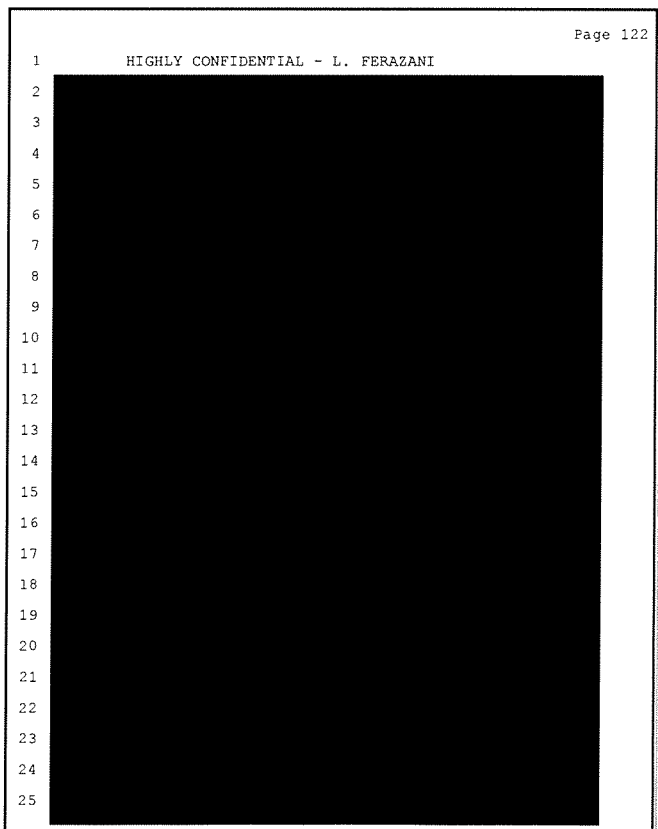
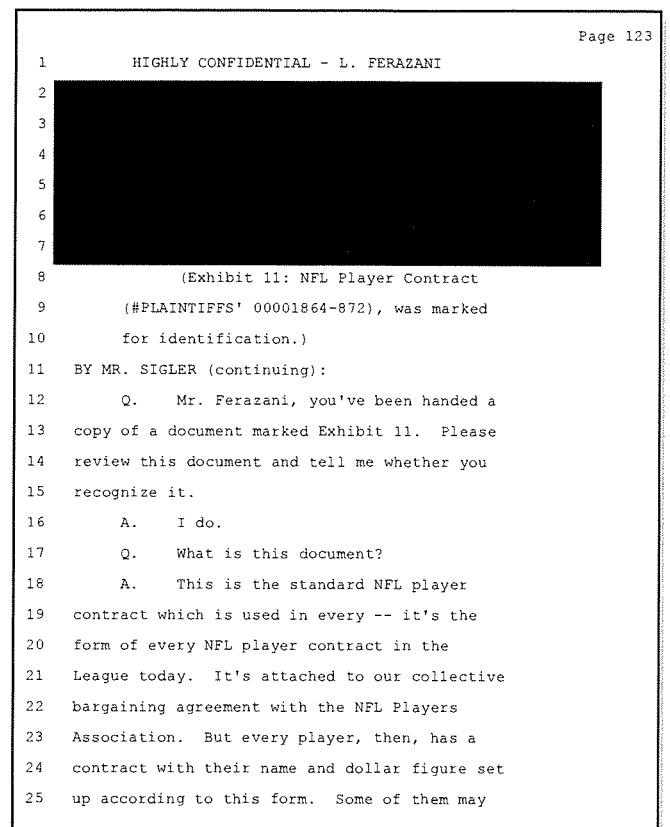
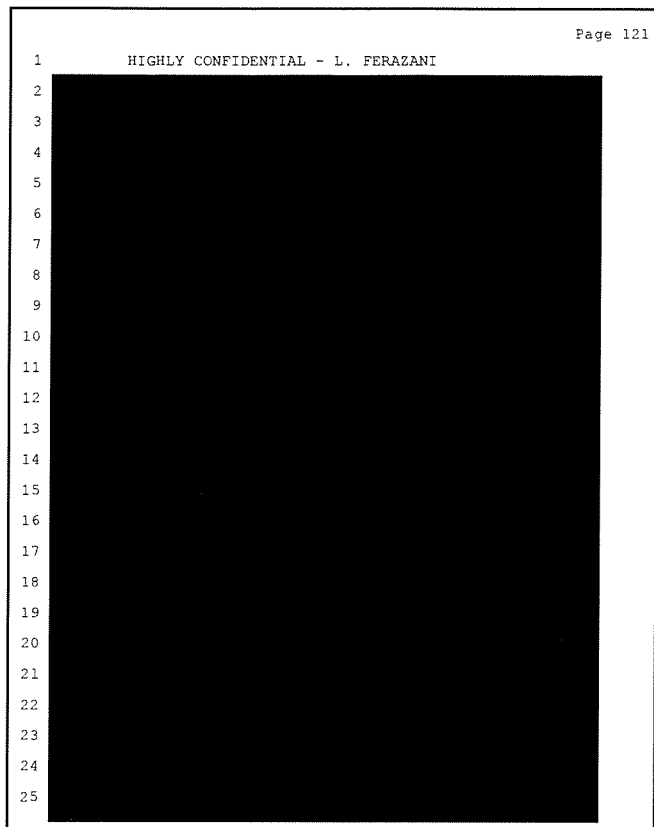
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A. Yes, it is.

Q. And are they prohibited from associating with gamblers or gambling activity other than sports gambling?

A. They are prohibited from using their images and likeness to market regular casinos. They are prohibited from attending even charitable casino nights. So, yes, they are prohibited from associating with gambling or knowingly associating with gamblers or gambling activity, yes.

Q. And that prohibition applies beyond sports gambling to all types of gambling, correct?

A. It does.

Q. Why does the NFL not make the same distinction in its player contract that it makes elsewhere between sports gambling and non-sports gambling?

MR. DREYER: Objection to the form of the question. You can answer.

A. Actually, see this is a little more difficult to answer. A player would be permitted to go into a casino off-season that

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paragraph 15, it's clear about the prohibition for NFL players as far as engaging and betting on NFL games. The association with gamblers or gambling activities is enforced as those who would participate in sports betting versus regular card betting.

Q. Regular card betting would be permitted, correct?

A. If it's legal and not on NFL property. They're prohibited from that and any sort of gambling in the NFL clubhouses and on NFL trips.

Q. So regular card betting would be permitted if it is legal and it is not on NFL property, correct?

MR. DREYER: Objection to the form of the question. But you can answer.

A. Correct.

(Exhibit 12: NFL Gambling Policy September 2008 (#PLAINTIFFS' 00003276-281), was marked for identification.)

BY MR. SIGLER (continuing):

Q. Mr. Ferazani, you've been handed a document marked Exhibit 12. Please review

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didn't have a sportsbook, they're prohibited from gambling on sports. They're not prohibited from going into a Nevada casino where there would be legal gambling or I guess they would not be prohibited from going into a New Jersey casino with regular gambling.

So that's just to clarify that issue between using their image to promote such activity versus what they're entitled to do on their own time. So I just wanted to clarify that. So in clarifying that, I lost your question. I'm sorry.

(Requested portion read.)

MR. DREYER: Same objection to the form of the question.

A. I guess we do by the manner in which we enforce it.

Q. So the NFL enforces this provision paragraph 15 in a way that makes the distinction between sports gambling and non-sports gambling?

MR. DREYER: Objection to the form of the question. You can answer.

A. Well, it -- as within the text of

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this document and tell me whether you recognize it.

A. (Examining document.)

This would be the NFL gambling policy apparently in existence in September 2008.

Q. Is this policy still in place today?

A. The essence of the policy is. However, as I've mentioned, we brought all of the policies under one umbrella and essentially I think it's a cosmetic change in that they're all in one spot. But the essence of this policy is still in effect, yes.

Q. At the top of the page, there is a line that refers to an Administrative Business Operations, League Rules and Policies. Do you see that?

A. Yes.

Q. What is that?

A. There is a Business Operations Manual with many different sections and components. This is a section of that manual.

Q. What's the relationship between the

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 2 Business Operations Manual and the
 3 Constitution and Bylaws?
 4 A. I guess it would best be described
 5 as this is the manner in which we enact the
 6 principles reflected in the Constitution and
 7 Bylaws.
 8 MR. DREYER: And so the record is
 9 clear, when the witness referred to
 10 "this," I believe he was referring to
 11 Exhibit 12.
 12 THE WITNESS: Correct.
 13 Q. Exhibit 12 is part of the Business
 14 Operations Manual that you've been discussing,
 15 correct?
 16 A. Correct.
 17 Q. Where does the Business Operations
 18 Manual reside?
 19 MR. DREYER: Objection to the form
 20 of the question. You can answer.
 21 A. I believe there's an electronic
 22 version on our League Secretary, it's called.
 23 It's an internal computer home page.
 24 Q. Is it distributed to teams and
 25 players?

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 2 Q. Do these policies apply to all NFL
 3 players, teams and employees?
 4 MR. DREYER: Objection to the form
 5 of the question. You can answer.
 6 A. The policies reflected in the
 7 administrative business operations apply to
 8 League employees and club employees. The same
 9 principle applies to players, but that reaches
 10 them, for lack of a more artful term, through
 11 the collective bargaining agreement and the
 12 restrictions contained in their NFL player
 13 contract.
 14 (Exhibit 13: NFL Owner Involvement
 15 in Gambling-Related Businesses, was
 16 marked for identification.)
 17 BY MR. SIGLER (continuing):
 18 Q. Mr. Ferazani, you've been handed a
 19 document marked Exhibit 13. Please review
 20 this document and tell me whether you
 21 recognize it.
 22 A. I do.
 23 MR. DREYER: Counsel, this doesn't
 24 have a Bates number on it. Was this
 25 produced by our side of the case?

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 A. It's not distributed to players.
 3 It is distributed to teams and obviously
 4 League employees.
 5 Q. At the top of the first page, it
 6 says: League policy strictly prohibits
 7 associations with gambling in any form.
 8 Do you see that?
 9 A. I see that.
 10 Q. Does this prohibition apply to all
 11 types of gambling, including non-sports
 12 gambling?
 13 A. It -- players are permitted to go
 14 to casinos in the off-season that don't have a
 15 sportsbook and are not allowed to bet on NFL
 16 games. League employees are similarly
 17 permitted to go to legal casinos. The sports
 18 prohibition is set forth farther down the
 19 page.
 20 Q. You may have already said this, but
 21 when was this version of the policy in effect?
 22 A. My read from the face of Exhibit 12
 23 is that this was published as of September
 24 2008. My suspicion is that it preceded that
 25 but I don't...

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 2 MR. SIGLER: I think it was an
 3 attachment to the declaration.
 4 MR. DREYER: Okay. To Commissioner
 5 Godell's declaration, correct?
 6 MR. SIGLER: Yes.
 7 BY MR. SIGLER (continuing):
 8 Q. So, Mr. Ferazani, do you recognize
 9 this document, Exhibit 13?
 10 A. It appears to be a section --
 11 different section of the Administrative and
 12 Business Operations Manual, a different part
 13 of the same document that is reflected in
 14 Exhibit 12.
 15 Q. Can you put Exhibits 12 and 13 next
 16 to each other, please. In Exhibit 12 flip to
 17 the page that has the Bates number 3279 in the
 18 bottom right-hand corner.
 19 A. Yes.
 20 Q. Is this portion of Exhibit 12
 21 starting at 3279 the same policy that is
 22 reflected in Exhibit 13?
 23 A. If you like, I can read and just
 24 track both of them together.
 25 MR. DREYER: I think the documents

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2 speak for themselves. But you can answer

3 as to your understanding.

4 A. (Examining document.)

5 Q. And just to be clear, Mr. Ferazani,

6 I'm not asking you to do a word-for-word

7 comparison. I'm just trying to understand if

8 they're the same policy. And I'll point out,

9 by the way, that in the bottom left-hand

10 corner, Exhibit 13 seems to say 10-11 and

11 Exhibit 12 says 9-08. So they very well may

12 be different in some minor way.

13 But having said all of that, I'm

14 just trying to find out whether this is the

15 same policy about owner involvement in

16 gambling-related businesses.

17 A. This is addressing the same issue

18 which is owner involvement in gambling-related

19 issues. I believe you also have within our

20 production -- this is what I was discussing as

21 far as the cosmetic change when everything was

22 brought under one roof under gambling policy,

23 which has essentially the same prohibitions

24 and restrictions.

25 Q. Is Exhibit 13 a newer version of

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2 Operations Manual that we were discussing in

3 connection with Exhibits 12 and 13?

4 A. No. This is -- as I said, the

5 change in 2012 was that we brought --

6 revisited the gambling policy, clarified it,

7 and brought it under one standalone document

8 which is this document, Exhibit 14.

9 Q. So this document is not part of the

10 Business Operations Manual?

11 A. It's a standalone document. It's

12 also found on the Secretary and distributed to

13 all the League and club employees as the

14 Business Operations Manual. Honestly, I'm not

15 sure if the Business Operations Manual which,

16 you know, past day was actually a written

17 document, you know, hard paper, if that still

18 exists or, via the Internet, we've changed.

19 Q. Is this policy, Exhibit 14,

20 distributed to players?

21 A. The language in this document is

22 distributed to players but there's posters in

23 the locker rooms, it's reflected in their

24 sports contract, and I believe they have a

25 smaller insert which every club is required to

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 what is reflected in Exhibit 12?

3 A. It's either an identical version or

4 a newer version. And I'm basing that upon the

5 date in the lower left versus lower right

6 corners of Exhibits 12 and 13.

7 Q. On Exhibit 13 the date reflected in

8 the lower-hand corner is October of 2011; is

9 that right?

10 A. That's what I interpret that to

11 mean, yes.

12 (Exhibit 14: NFL Gambling Policy

13 (#PLAINTIFFS' 00003110-116), was marked

14 for identification.)

15 BY MR. SIGLER (continuing):

16 Q. Mr. Ferazani, you've been handed a

17 document marked Exhibit 14. Please review

18 this document and tell me whether you

19 recognize it.

20 A. Yes, I do.

21 Q. What is this document?

22 A. This is the new gambling policy

23 that I've alluded to in the past that was

24 presented on September 1, 2012.

25 Q. Is this part of the Business

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2 distribute to players reflecting this

3 information. It may just look different.

4 Q. Is this actual document,

5 Exhibit 14, distributed to players?

6 A. I don't know.

7 Q. Why did the NFL prepare this

8 document in September of 2012?

9 A. Well, it was prepared over the

10 course of months leading up to September 2012.

11 It reflected the fact that our gambling policy

12 was reflected in several different sections

13 and manuals, both the NFL player contract and

14 the Business & Operations Manual. I believe

15 that the parties that were responsible for

16 this, such as Mr. Birch and Mr. Palletti,

17 reviewed all of the policies and attempted to

18 make a more coherent and consistent policy.

19 Q. What prompted them to decide that

20 they needed to put together a comprehensive

21 gambling policy?

22 MR. DREYER: Objection to the form

23 of the question. You can answer.

24 A. I think Mr. Birch was promoted to a

25 -- in his role, it became a broader role with

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 player engagement. I believe that they were
 3 receiving more phone calls for clarification
 4 about both what players were permitted to do
 5 and not permitted to do and what clubs were
 6 permitted to do and not permitted to do. And
 7 there was some uncertainty because the policy
 8 was housed in several different spots, and it
 9 may have been somewhat antiquated in some of
 10 the language. So they set about revising it,
 11 tightening it and putting it in one document.

12 Q. Did NFL team owners approve this
 13 document, Exhibit 14?

14 A. This was approved by the
 15 Commissioner.

16 Q. It was approved by the Commissioner
 17 but not the teams?

18 A. Correct.

19 Q. So how does this policy,
 20 Exhibit 14, apply to players?

21 MR. DREYER: Objection to the form
 22 of the question. You can answer.

23 A. The same way that any rule applies
 24 to players. You know, for example, on page 2
 25 of this exhibit, it more clearly defines what

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 2 a definition of gambling, correct?

3 A. Yes, it does, page 1.

4 Q. Is this the NFL's official policy
 5 regarding the meaning of gambling?

6 A. The NFL gambling policies, yes,
 7 this is.

8 Q. Prior to this document in September
 9 1st of 2012, did the NFL have an official
 10 definition of gambling?

11 A. I'm not sure that it was set forth
 12 in any specific document. I would imagine
 13 that it was consistent with what is reflected
 14 on page 1, but I'm not sure that it was ever
 15 set forth in a specific place.

16 Q. What was the source for this
 17 definition of gambling?

18 A. I don't know.

19 Q. Do you agree with the definition of
 20 gambling set out in Exhibit 14?

21 MR. DREYER: Are you asking for his
 22 personal view as opposed to the NFL's
 23 view?

24 MR. SIGLER: I'm just asking for
 25 his -- yes, his personal view, yes.

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 2 a player may or may not do in-season versus
 3 off-season. It further defines gambling
 4 associations in a way that actually is more
 5 easily understandable in today's environment.

6 It defines more fully gambling-
 7 related advertisement and it defines and sets
 8 forth what players are allowed to do, and it
 9 essentially sets forth what employees are
 10 allowed to do.

11 Q. Did this policy, Exhibit 14, change
 12 the NFL's gambling policy or simply combine
 13 the NFL's existing policies into a single
 14 document?

15 MR. DREYER: Objection to the form
 16 of the question. You can answer.

17 A. It's a difficult question to answer
 18 because it further defines certain aspects of
 19 the policy. I would submit that it didn't
 20 materially change anything but it did, you
 21 know, for example, better define what players
 22 can do. When it says you are prohibited from
 23 associating with known gamblers, that's more
 24 well defined in Exhibit 14.

25 Q. This document, Exhibit 14, contains

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2 MR. DREYER: You can answer if
 3 you're able to.

4 A. This appears to be a good
 5 definition of gambling, yeah.

6 MR. SIGLER: Let's go off the
 7 record for a minute.

8 (Lunch recess taken: 1:16 p.m.)

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 AFTERNOON SESSION
 3 (Resumed: 2:00 p.m.)
 4 (Exhibit 15: 2011 League Policies
 5 for Players excerpt (#PLAINTIFFS'
 6 00001854-857), was marked for
 7 identification.)
 8 CONTINUED EXAMINATION
 9 BY MR. SIGLER:
 10 Q. Mr. Ferazani, you've been handed a
 11 document marked Exhibit 15. Please review
 12 this document and tell me whether you
 13 recognize it.
 14 A. I do.
 15 Q. What is this document?
 16 A. It's the 2011 League Policy For
 17 Players, a portion of that. This is the
 18 portion regarding the gambling policy for
 19 players.
 20 Q. Is the League Policies for Players
 21 in a book or notebook or something that is
 22 passed out to players?
 23 A. Yes.
 24 Q. And is it distributed to players at
 25 the beginning of each season?

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 2 question from the union about it. I'm not
 3 sure in what form it was distributed to the
 4 players. I know that this League policy book
 5 is distributed with their play books when
 6 camps open, which is typically at the end of
 7 July.
 8 So I know this wasn't rolled out
 9 until September 1, I know this was after that.
 10 So I'm not sure the form in which it was sent
 11 to the union, but I know it was because the
 12 union had questions about this policy.
 13 MR. DREYER: Just so the record's
 14 clear, the witness is referring to both
 15 Exhibits 14 and 15.
 16 Q. And you said that the union had a
 17 question about this policy, meaning
 18 Exhibit 14?
 19 A. Correct.
 20 Q. What was the question?
 21 A. It had to do with the -- I think
 22 the definitional sections or it had to do with
 23 the scope.
 24 Q. Do you remember what the question
 25 was?

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 A. It is, usually with their play
 3 books.
 4 Q. Is there a 2012 version of the
 5 League Policies for Players?
 6 A. I believe the 2000 and -- there is.
 7 I'm not sure if it was a -- they just reset
 8 the same policy. I know that the 2012
 9 overriding gambling policy was issued after
 10 camp, so I'm not sure what was disseminated to
 11 the players reflecting that policy.
 12 Q. But there was a 2012 book
 13 containing League Policies for Players that
 14 was distributed to players at the beginning of
 15 the season, correct?
 16 A. I believe so, because this also
 17 covers the drug and steroid policy and various
 18 other aspects of their employment.
 19 Q. Okay. And you said that the new
 20 NFL gambling policy, which is Exhibit 14, was
 21 not part of the 2012 League Policies for
 22 Players that was distributed to players,
 23 correct?
 24 A. I know this was distributed in some
 25 form to the players because I know we had a

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 A. No. It was directed to Mr. Birch.
 3 It might have been how it was going to be
 4 distributed. I'm not sure.
 5 MR. SIGLER: Anthony, while I'm
 6 thinking about it, I would like to
 7 request a copy of the 2012 League
 8 Policies for Players.
 9 MR. DREYER: That's fine. It would
 10 be helpful to have it in writing, but I
 11 understand the request. If we haven't
 12 produced it and it exists, we'll make it
 13 available.
 14 MR. SIGLER: Okay.
 15 BY MR. SIGLER (continuing):
 16 Q. Turn with me, please, to the second
 17 page of this document with the Bates number
 18 1855 in the bottom right-hand corner. Is this
 19 a gambling policy that is included in the
 20 League Policies for Players distributed to
 21 players?
 22 A. It certainly was in 2011. I'm not
 23 sure if the same form was in 2012. I just
 24 don't know the answer to that.
 25 Q. Okay. And in the middle of this

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1 HIGHLY CONFIDENTIAL - L. PERAZANI

2 page, there's a notice that this document says

3 is posted in every NFL locker room. Do you

4 see that?

5 A. On page 1855?

6 Q. Correct.

7 A. I know that it is. I just can't

8 find the reference here. Oh, I'm sorry, yes,

9 at the end of the first paragraph, yes.

10 Q. So the notice in the middle of this

11 page is posted in every NFL locker room?

12 A. The prohibition on bribes and

13 gambling, yes.

14 Q. Do you know whether the notices

15 posted in every NFL locker room have been

16 changed with the new September 2012 gambling

17 policy?

18 A. I do not know that.

19 Q. Can you turn to the next page,

20 please, 1856.

21 A. Yes.

22 Q. Is this section, Frequently Asked

23 Questions, also part of the League Policies

24 for Players book?

25 MR. DREYER: Objection to the form

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 A. It would have been distributed to

3 all the players.

4 Q. And how do you know that?

5 A. The essence -- well, that would be

6 the practice.

7 Q. How does something get distributed

8 to all of the players, as a typical practice?

9 A. Materials will be sent to each

10 individual club with the direction that it

11 must be sent, must be distributed to players

12 by a specific date and time. We also have

13 certain, as you referenced from prior

14 questions, certain posters and signage which

15 are required to be in every NFL locker room.

16 In addition to the gambling policy,

17 the drug and steroid policy posters are

18 required to be there. There's signage about

19 concussions. So those are how we send the

20 message.

21 (Exhibit 16: 2009 League Policies

22 for Players (#PLAINTIFFS' 00003273-274),

23 was marked for identification.)

24 BY MR. SIGLER (continuing):

25 Q. Mr. Ferazani, you've been handed a

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
2 of the question.
3 A. In 2011 it was. I think it was
4 actually -- 2011 it was.
5 Q. And do you know whether Frequently
6 Asked Questions are included in the 2012
7 version of League Policies for Players?
8 A. I'm not sure.
9 Q. When there was a question about the
10 new September 2012 gambling policy,
11 Exhibit 14, why did that question go to
12 Mr. Birch?
13 MR. DREYER: Objection to the form
14 of the question. You can answer.
15 A. Before -- well, he was the person
16 that was working on consolidation.
17 Q. And the question came in from the
18 union, you said?
19 A. Yes. That's why I know it was sent
20 out to the union and players. There was an
21 issue and I'm not sure of the specifics but it
22 was directed to Mr. Birch.
23 Q. Do you know whether the NFL
24 gambling policy, Exhibit 14, went to all of
25 the players or just union representatives?

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
2 document marked Exhibit 16. Please review
3 this document and tell me whether you
4 recognize it.
5 A. Yes, I do.
6 Q. Is this the 2009 version of the
7 League Policies for Players?
8 A. The gambling portion of the League
9 policies, yes.
10 Q. Thank you.
11 Were there frequently asked
12 questions included in the 2009 League Policies
13 for Players?
14 A. I suspect there were, but I can't
15 tell you definitively.
16 (Exhibit 17: Frequently Asked
17 Questions, was marked for
18 identification.)
19 BY MR. SIGLER (continuing):
20 Q. Mr. Ferazani, you've been handed a
21 document marked Exhibit 17. Can you review
22 this document and tell me whether you
23 recognize it.
24 MR. DREYER: While the witness is
25 doing that, I notice this doesn't have a

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Bates number. Was this something produced in the litigation?

MR. SIGLER: It's something we found on the Internet. I think it may be something that should have been produced, but that's how we found it.

MR. DREYER: All right. Was it produced by your side?

MR. SIGLER: Look, Anthony, we've had our e-mail exchange on this. If you want to make an objection, go ahead and make it. We don't need to make a record now.

MR. DREYER: I'll make a record that it is the Plaintiffs' position that use of this document violates the court order. So we object to its use in the deposition.

Is this a complete copy of the document, Counsel?

MR. SIGLER: This is a complete copy of what we found. I'm waiting to hear from the witness, why don't we handle it that way. Rather than you

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gambling-related legislative developments at both the state and federal level and surveyed all of their clubs.

A. I see that paragraph.

Q. Recognizing that you said you don't recognize this document, do you know what that sentence could refer to?

A. Other than what it's describing?

Q. Do you know what extensive fan research this paragraph is referring to?

A. To my knowledge, other than our understanding of our fans based upon our daily operations, my understanding there were no new studies commissioned, no new studies commissioned.

Q. Do you know whether there was a survey of the NFL's clubs as referred to in this paragraph?

A. To the extent there was any survey, most likely there were lawyers working for the Business Ventures Committee having a conversation with the members of the different clubs to figure out what the different clubs were doing. But to my understanding and

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questioning me, why don't we --

MR. DREYER: I'm just trying to understand this document because it looks like the first portion of the document has been removed, so I was trying to get some clarity on the issue.

MR. SIGLER: We did not make any modifications to the document.

MR. DREYER: Okay.

BY MR. SIGLER (continuing):

Q. Do you recognize this document?

A. I can't say that I've ever seen this document before. And I'm reading from the preamble; I'm not sure who would draft something like this. It certainly seems to reflect components of the new policy, but I can't tell you who drafted it.

Q. Okay. Do you see in the second paragraph, it says:

As part of that evaluation, the staff reviewed the policies and practices of the other major sports leagues, conducted extensive fan research, analyzed the likely impact of recent

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knowledge, there was no specific formal survey conducted.

Q. Can you turn to the last page of this document, please.

A. Yes.

Q. Do you see the subpart (g) at the top of the document?

A. Yes.

Q. And do you see that it refers to a payment to the NFL of 5 percent of the total amount being paid by the advertiser?

A. I see that reference.

Q. Are you aware of that practice or policy?

MR. DREYER: Objection to the form of the question, lacks foundation. You can answer.

A. I'm aware that 5 percent of the total amount is supposed to be paid to fund the League's gambling education and other related programs, yes.

Q. So 5 percent of the amount paid by a gambling-related advertiser to a particular team needs to be paid to the NFL?

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 A. 5 percent of a non-sports gambling-

3 related advertiser's revenue to a team must be

4 given to the NFL and passed through the NFL

5 for which it will be used to fund a specific

6 purpose, which is gambling education to

7 prevent our players, coaches, officials and

8 other club and league employees from gambling

9 on sports.

10 Q. Is that a recent development?

11 A. Yes.

12 Q. Mr. Ferazani, I would like to talk

13 about fantasy football. Can you please

14 describe what fantasy football is.

15 MR. DREYER: Objection to the form

16 of that question. But you can answer.

17 A. Fantasy football --

18 MR. SIGLER: What's the objection?

19 To the form of the question?

20 MR. DREYER: Are you talking about

21 fantasy football generally or what the

22 NFL does? It's a broad and I think

23 open-ended question, but he can answer it

24 as best he understands it.

25 Q. Go ahead and answer the question.

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 of the question.

3 A. Well, I think the outcome is each

4 week one fantasy football player's team

5 competes against another person from his

6 league's team or her league's team and

7 whichever team's players perform best on the

8 field for that week, that team will win in the

9 fan -- that fantasy contest. So it's based

10 upon how well the team -- players an

11 individual selects perform. I guess that's

12 based upon statistical analysis.

13 Q. And with respect to the participant

14 in the fantasy football league who signs up

15 and drafts his players at the beginning of a

16 season, the outcome of the fantasy football

17 season will, in part, be determined based on

18 chance, correct?

19 MR. DREYER: Objection to the form

20 of the question as well as I think we're

21 past the witness' 30(b)(6) topics. You

22 can answer if you understand it.

23 A. I'm not -- I guess it's -- there's

24 a point or points assigned for each category

25 and how your players perform on a given week

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 A. Fantasy football is a game in which

3 fantasy players draft or select a team at the

4 beginning -- usually at the beginning of the

5 season or prior to the start of the season.

6 And they follow that team, and each player on

7 the team that they selected gets certain

8 points for how that player performs in real

9 live football games, be it yardage for

10 receivers or running backs, touchdowns,

11 points. I believe in some iterations, players

12 can select defenses and get points based upon

13 what the defenses do.

14 And the points are all accumulated

15 and each individual fantasy football team

16 competes against other individuals who have

17 their own teams for leagues, and whoever has

18 the most points at the end of the day wins a

19 specific game and then they play that through

20 the course of the League. I did it very

21 poorly, but I think that's the general gist.

22 Q. And the outcome of a fantasy

23 football league is determined, at least in

24 part, by chance, correct?

25 MR. DREYER: Objection to the form

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 is what's going to determine whether or not

3 your team beats the other fantasy team you're

4 playing against.

5 To the extent chance -- I guess I

6 don't understand what you mean by chance has

7 some role in that. Does weather affect a

8 player's ability to perform in a given week?

9 Sure. An injury could occur. I guess if

10 that's what you mean by chance, then there's

11 certainly -- no one knows what anybody's going

12 to do in any given week.

13 Q. The outcome of a fantasy football

14 season is uncertain at the time someone signs

15 up and drafts their players, correct?

16 A. Yes.

17 Q. Mr. Ferazani, in some fantasy

18 football leagues, there is a financial prize

19 for the winner, correct?

20 MR. DREYER: Objection to the form

21 of the question. And the witness'

22 knowledge as to fantasy football games

23 generally, again, is beyond the scope of

24 the 30(b)(6). You can answer as to your

25 understanding.

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A. The fantasy football games that I'm aware of, there's a prize but not a financial prize. We have them in our NFL.com, but those are you win a trip, I believe.

Q. And the trip has value, correct?

A. To our fans, sure. I think it's a Super Bowl, a Pro Bowl trip.

Q. And are you aware of there being fantasy football leagues where people play for financial prizes?

A. Not personally, no.

Q. And I just want to be clear: You say "not personally." Are you aware of any fantasy football leagues where people play for financial prizes?

A. No. I don't play fantasy football. I know what we offer so I'm not -- I can't tell you that there are others, other places that you can go to and somehow win cash playing fantasy football. The ones I'm familiar with are run by us and you're either playing for a prize but mostly you're playing for bragging rights against the people against whom you play.

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football leagues where the participants pay entrance fees?

MR. DREYER: Objection; asked and answered, lack of foundation. You can answer.

A. No. And it would strike me as odd, given that you could play on our forum for nothing, why you would pay an entrance fee somewhere else.

Q. Well, are you aware of fantasy football leagues where the participants pay an entry fee that goes into a pool and the winner gets the proceeds from the pool?

MR. DREYER: Objection; lack of foundation, asked and answered. You can answer.

A. I'm familiar with our leagues which are not operated that way. I'm not familiar with your example.

Q. Let's talk about the NFL's involvement in fantasy football. When did NFL.com begin to offer fantasy football?

A. My belief--and I may not be exactly certain on the specific year--but my

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Q. Is the NFL aware that there are fantasy football leagues that are played for financial prizes?

A. The NFL is aware of the fantasy football leagues that we run. I think that's the extent of what I'm comfortable to testify to.

Q. Are any of the fantasy football leagues that the NFL runs for financial prizes?

A. No.

Q. Are you aware that in some fantasy football leagues, there is an entrance fee paid by participants?

MR. DREYER: Objection to the form of the question. You can answer.

A. Our fantasy football leagues that we run there is absolutely no entry fee.

Q. I'm not sure you answered my question.

A. I'm not familiar with other leagues. I'm familiar with our leagues, the ones that we run.

Q. So you're not aware of fantasy

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understanding is that in '02 or '03 we took over our -- the NFL.com. I think that's when we began to offer fantasy football.

Q. And during the period 2002 or 2003 to present, has the NFL offered any fantasy football leagues involving a financial prize to the winner?

A. No.

Q. Has the NFL offered any fantasy football leagues by which participants pay an entrance fee?

A. No.

Q. Prior to 2002 or 2003, did the NFL license use of its marks to other fantasy football sites?

A. I believe CBS ran our online offering.

Q. And how far back did that go?

A. I don't know.

Q. Does the NFL license other fantasy football sites today?

A. Not to my knowledge.

Q. And the NFL hosts today its own fantasy football leagues on NFL.com, correct?

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 A. That's correct, yes.

3 Q. Does the NFL make revenue from its

4 fantasy football leagues on NFL.com?

5 A. There's no entry fee, but I believe

6 that fantasy football, as offered by the NFL,

7 can serve to enhance our fan experience and

8 increase the loyalty of our fans. So to the

9 extent of that engagement, there's a benefit,

10 a financial benefit, to the League.

11 (Exhibit 18: Fantasy Industry

12 Trends (#PLAINTIFFS' 00003511-557), was

13 marked for identification.)

14 BY MR. SIGLER (continuing):

15 Q. Mr. Ferazani, you've been handed a

16 document marked Exhibit 18. Please take a

17 look at this document and tell me whether you

18 recognize it.

19 A. (Examining document.)

20 I don't.

21 Q. You don't recognize it?

22 A. (Examining document.)

23 MR. SIGLER: Anthony, can you tell

24 me whether this came from NFL's files or

25 any of your --

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 deposition today?

3 A. I spoke with Cory Mummery, who is

4 in charge of our fantasy football offerings,

5 and spoke with Alicia Rankin, who's our fan

6 engagement or survey person who coordinates

7 that; reviewed legal documents about fantasy

8 football and went on our website and looked to

9 see what it was that we offered.

10 Q. Who's Cory Mummery?

11 A. He's an employee of NFL.com who

12 coordinates our fantasy football offerings.

13 Q. And what did you speak to Cory

14 Mummery about?

15 A. I asked him for an outline of what

16 it is that we offered, the rules of our games.

17 I asked him to produce certain documents. I

18 asked him for a general history of our fantasy

19 football offerings.

20 Q. And did he provide that to you?

21 A. He did.

22 Q. Did he create a document for you,

23 or did he give you a package of preexisting

24 documents?

25 A. We had a telephone call in which he

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 MR. DREYER: I don't think he

3 answered your last question. But it was

4 from the NHL's files.

5 BY MR. SIGLER (continuing):

6 Q. Mr. Ferazani, can you turn with me,

7 please, to the page in the presentation with

8 the Bates number 3548 in the bottom corner.

9 A. Yes.

10 Q. Do you see that this page reflects

11 a survey of what motivated consumers to start

12 playing fantasy sports?

13 A. That's what it says, yes.

14 Q. And do you see that number 5 is:

15 I thought I could win money?

16 A. That's what it says, yes.

17 Q. Does that surprise you?

18 MR. DREYER: Objection, lack of

19 foundation, to the form of the question.

20 A. I don't know what to tell -- I know

21 that they can't win money through the fantasy

22 football that we offer on our platform.

23 Q. Mr. Ferazani, what did you do to

24 familiarize yourself with the NFL's fantasy

25 football offerings for purposes of your

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 provided me an overview of the information and

3 then he produced documents to me which I

4 forwarded to our counsel that potentially were

5 or were not responsive.

6 Q. Before preparing for this

7 deposition, had you dealt with Mr. Mummery at

8 all previously?

9 A. Never.

10 Q. Do any of your job responsibilities

11 involve fantasy football?

12 A. I will -- the first time I had to

13 involve myself with fantasy football was to

14 prepare for the document production in this

15 case.

16 Q. Can you turn with me, please, to

17 the page of the study with the Bates number

18 3550 in the bottom corner.

19 A. Okay.

20 Q. And do you see that this page

21 refers to how fantasy sports affect consumers?

22 A. That's what it says, yes.

23 Q. And do you see the second row from

24 the bottom says: I am more loyal to my

25 fantasy teams than my favorite professional

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
2 teams?
3 A. I see that's what it says, yes.
4 Q. And the percentage agreeing with
5 that statement was 28 percent in 2006 and 26
6 percent in 2011?
7 A. That's what it says.
8 Q. Now, does this sentiment being
9 expressed by users of fantasy football concern
10 the NFL?
11 MR. DREYER: Objection, lack of
12 foundation.
13 A. I'm not sure what this represents
14 as far as who was sampled, ages, demographics,
15 how the questions were presented. I really
16 can't comment on this, having looked at it for
17 the first time.
18 Q. Does the NFL acknowledge that some
19 of the users of NFL.com fantasy football may
20 be more loyal to their fantasy teams than to
21 their favorite professional teams?
22 A. I'm not sure that I've ever seen
23 any information to that effect.
24 Q. You haven't seen the information
25 one way or the other on that, correct?

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
2 were not so myopic only for the Broncos
3 players, but they had an appreciation for
4 other players across the League and they had a
5 really deep understanding of who else was
6 playing there and who was playing well and not
7 playing well. And it really helps to enhance
8 and develop our fantasy football folks'
9 appreciation for the individual athletes.
10 So I don't know that this, in and
11 of itself, is cause for concern. I can't tell
12 you if it's true or not but...
13 Q. Does it concern you if people are
14 playing fantasy sports to win money and they
15 are more loyal to their fantasy sports teams
16 than their professional teams?
17 MR. DREYER: Same objection. You
18 can answer.
19 A. If the only purpose of a person is
20 to -- is you're in the game to earn money for
21 whatever reason, be it he's playing fantasy
22 football and his only reason to watch or play
23 fantasy football is for cash without an
24 appreciation of the game, that does not
25 transfer to long-term fan affiliation and

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
2 A. I don't recall seeing information
3 one way or the other on that, no.
4 Q. If that is the case, is that a
5 concern to the NFL?
6 MR. DREYER: Objection; incomplete
7 hypothetical, calls for speculation. You
8 can answer.
9 A. Well, I don't think, in and of
10 itself, it would cause a concern. I think
11 that fantasy football serves a great purpose.
12 It allows our fans to further connect with
13 individual athletes. Typically our game is a
14 team sport and fans are related to a specific
15 team. For the individual athlete, fantasy
16 football changes the focus somewhat in that it
17 allows the fan to appreciate the efforts of an
18 individual athlete.
19 I can tell you that John Elway,
20 whose Super Bowl winning in quarterback MVP
21 for the Denver Broncos a year ago or two years
22 ago, was put in charge of the football
23 operations for the Broncos. And one of the
24 first things he did was require his front
25 office to play fantasy football so that they

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
2 success. If you don't appreciate the game for
3 the game's sake and it turns into a financial
4 transaction, that is not good for the long-
5 term health of our League.
6 Q. Mr. Ferazani, the example you gave
7 of the Broncos having a fantasy sports
8 requirement from Mr. Elway?
9 A. Maybe encouragement would be a
10 better.
11 Q. Fair enough. Did the Broncos join
12 fantasy leagues on NFL.com or in other site?
13 A. I would hope it would be NFL.com.
14 It was reported to me by their former Director
15 of Operations.
16 Q. Do you know whether there was an
17 entrance fee for the League that the Broncos
18 joined?
19 A. No. There was absolutely no
20 entrance fee for the individuals to play. It
21 was -- as fantasy football, it was designed to
22 be on our NFL.com platform which is there was
23 no financial -- there was no money changing
24 hands. It was for bragging rights, it was to
25 gain a greater appreciation for players on

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 other teams.

3 Q. Did the Broncos run their fantasy

4 football league by the NFL before joining it?

5 A. There would be no reason for them

6 to do so as long as there was no gambling or

7 financial component to it. In fact, when the

8 NFL -- my understanding when the NFL started

9 and rolled out fantasy football on NFL.com,

10 many of our executives were asked to play and

11 did, in fact, play.

12 Q. Did Mr. Mummery search his files

13 for studies or analyses regarding the impact

14 of fantasy football on the NFL?

15 A. I directed him to, yes.

16 Q. And he produced to you all

17 responsive documents?

18 A. He told me he did, yes.

19 (Exhibit 19: Fantasy Sports Trade

20 Association, was marked for

21 identification.)

22 MR. DREYER: Once again, since this

23 is a document not produced in this

24 litigation by counsel and you persist in

25 violating the Court's order in this case,

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 A. I see that.

3 Q. In your discussions with

4 Mr. Mummery, did he mention that he was part

5 of this Fantasy Sports Trade Association?

6 A. He did not.

7 Q. Did Mr. Mummery search his files

8 for all documents regarding studies on fantasy

9 football and their impact on the NFL whether

10 they were commissioned by the NFL or not?

11 MR. DREYER: Objection to the form

12 of the question, mischaracterizes the

13 document request. But you can answer.

14 A. Yes.

15 Q. Can you turn with me, please, to

16 page 8 of the document. And unfortunately the

17 document does not have page numbers.

18 MR. DREYER: Or Bates numbers

19 but...

20 Q. The top left-hand corner says:

21 Meet the fantasy sports market.

22 Do you see that?

23 A. I do.

24 Q. And do you see that the box in the

25 middle of the page shows that 34 million U.S.

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 we're objecting to the use of this

3 document and all questions related to it.

4 BY MR. SIGLER (continuing):

5 Q. Mr. Ferazani, you've been handed a

6 document marked Exhibit 19. Do you recognize

7 this document?

8 A. I don't.

9 Q. Do you know what the Fantasy Sports

10 Trade Association is?

11 A. I don't have the faintest idea.

12 Q. Can you turn with me, please, to

13 the third-to-last-page in the document. It

14 says Meet the Organization at the top.

15 A. The third-to-the-last page?

16 Q. Yes. Looking for the page with

17 Meet the Organization at the top.

18 A. Fourth from last?

19 Q. Fourth from last. We are on the

20 same page with Meet the Organization at the

21 top, correct?

22 A. Yes, I have that in front of me.

23 Q. Do you see that Cory Mummery is

24 listed second from the bottom on the far

25 right?

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 adults are playing fantasy sports?

3 A. That's what it says, yes.

4 Q. Are you familiar with that figure?

5 A. I'm not.

6 Q. And then at the bottom of that same

7 chart, it says 21 percent of U.S. males aged

8 18 to 34 play fantasy sports. Do you see

9 that?

10 A. That's what it says, yes.

11 Q. Are you familiar with that figure?

12 A. I'm not, no.

13 Q. And then if you could turn to the

14 next page of the document, do you see the box

15 in the middle of the page that says: Which

16 fantasy games to they play?

17 A. I see that, yes.

18 Q. And it says football 72 percent?

19 A. I do see that that's what it says,

20 yes.

21 Q. Are you familiar with that figure?

22 A. I'm not familiar with that figure,

23 no.

24 MR. DREYER: I believe the copy

25 that we were provided by counsel is

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 missing pages, so I would request on the
 3 record that we be given a complete copy
 4 of the document that was shown to the
 5 witness. Again, this is one of the many
 6 reasons why this entire approach is
 7 improper.

8 MR. SIGLER: Anthony, there's a
 9 copy.

10 (Exhibit 20: Fantasy Sports Trade
 11 Association Industry Demographics, was
 12 marked for identification.)

13 BY MR. SIGLER (continuing):

14 Q. Mr. Ferazani, you've been handed a
 15 copy of a document marked Exhibit 20. Can you
 16 take a look at this and tell me whether you
 17 recognize it.

18 MR. DREYER: And while the witness
 19 is reviewing Exhibit 20, let me state
 20 that this is yet another violation of the
 21 Court's order by the Defendants in this
 22 case. This is a document that was not
 23 provided in accordance with the Court's
 24 order, and we're seeing this for the
 25 first time in violation of the Court's

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 2 Q. And right below that it refers to
 3 League fees of \$36 per player accumulating to
 4 \$1.8 [verbatim] billion U.S. market share? Do
 5 you see that?

6 A. I see that.

7 MR. DREYER: Same objection.

8 Q. And are you familiar with that
 9 figure?

10 A. I'm not familiar with that figure,
 11 no.

12 Q. Have you heard any figures about
 13 the market share of fantasy football in the
 14 United States?

15 A. What do you mean by "market share"?

16 Q. Well, this is a market share figure
 17 of \$1.18 [verbatim] billion reflected in this
 18 document, and I'm just asking whether you've
 19 heard any figures regarding the U.S. market
 20 share for fantasy sports.

21 A. I don't even know -- that's the
 22 U.S. market share of what? Of the total
 23 fantasy market worldwide or...?

24 Q. Have you heard any dollar figures
 25 or numbers of people associated with the size

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 2 order.

3 MR. SIGLER: And, Anthony, since
 4 you keep saying this, I feel compelled to
 5 respond that we disagree with your
 6 position on this. We've had e-mail
 7 exchanges about it, you've made this
 8 objection in the past. So I'll just
 9 repeat that for the record.

10 MR. DREYER: Okay. We'll get a
 11 warrant from the Court after today's
 12 deposition.

13 BY MR. SIGLER (continuing):

14 Q. Mr. Ferazani, do you see at the
 15 bottom of the page there's a bullet point that
 16 says: On average, fantasy sports players
 17 spend \$95 on League-related costs,
 18 single-player challenge games and
 19 League-related materials over a 12-month
 20 period.

21 MR. DREYER: Objection, lack of
 22 foundation. He can answer.

23 A. I see that's what it says.

24 Q. Are you familiar with that figure?

25 A. No, I'm not.

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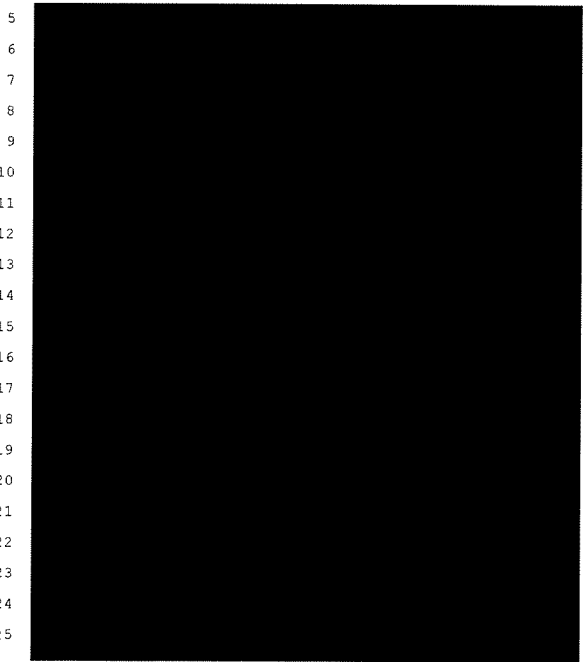
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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 of the fantasy football market in the United
 3 States?

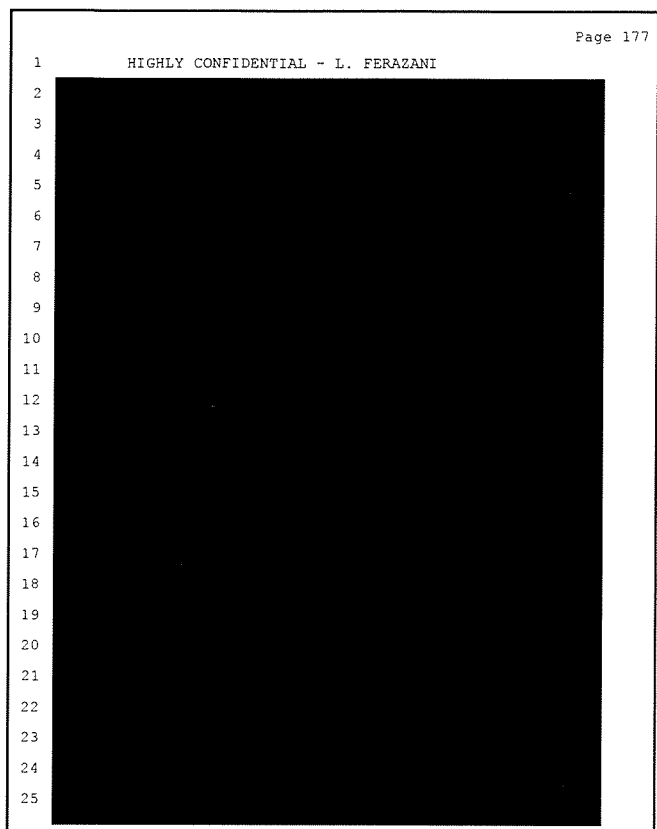
4 A. I have not, no.



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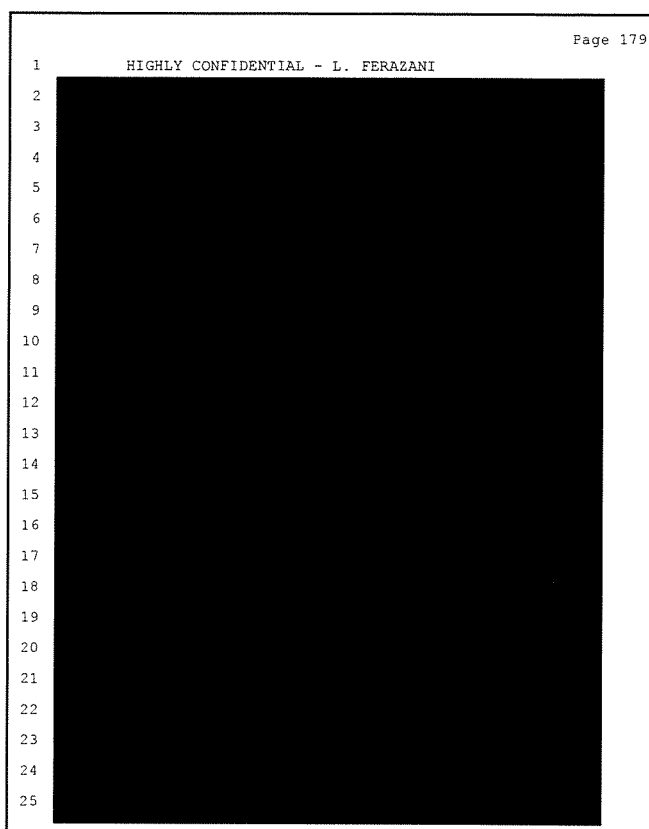
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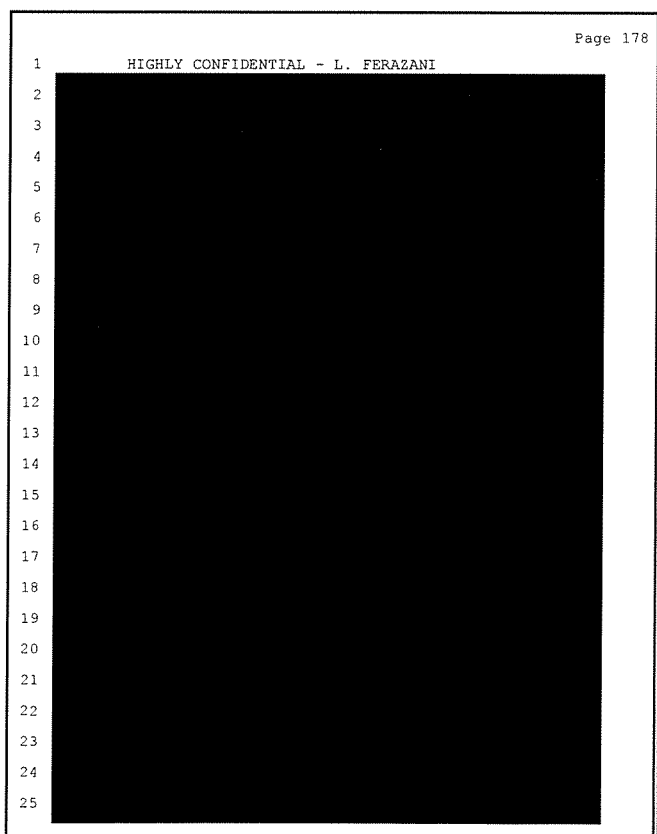
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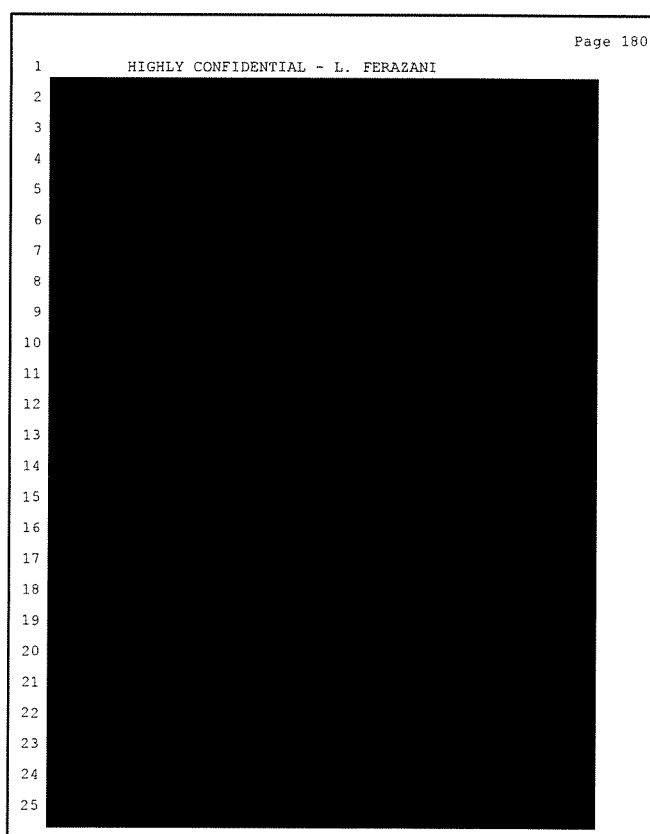
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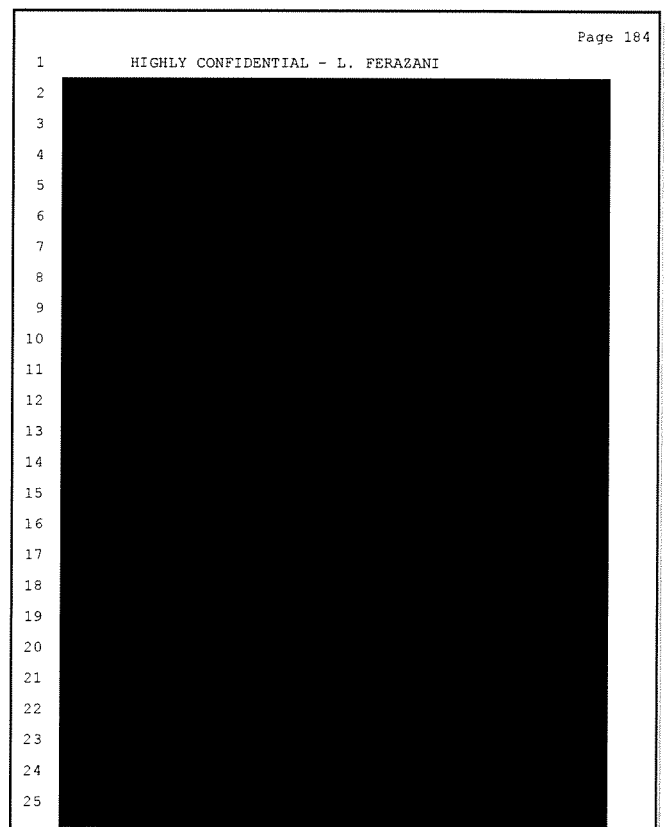
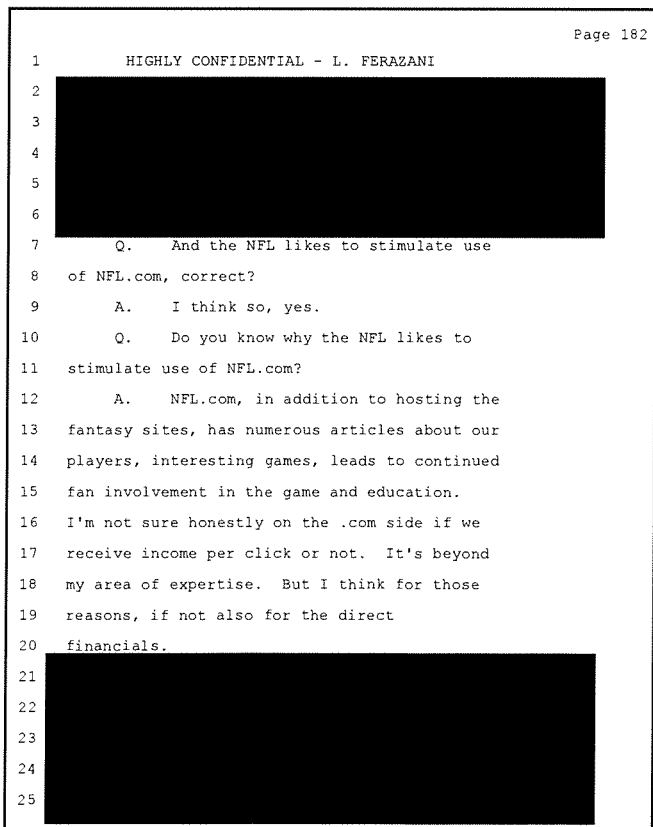
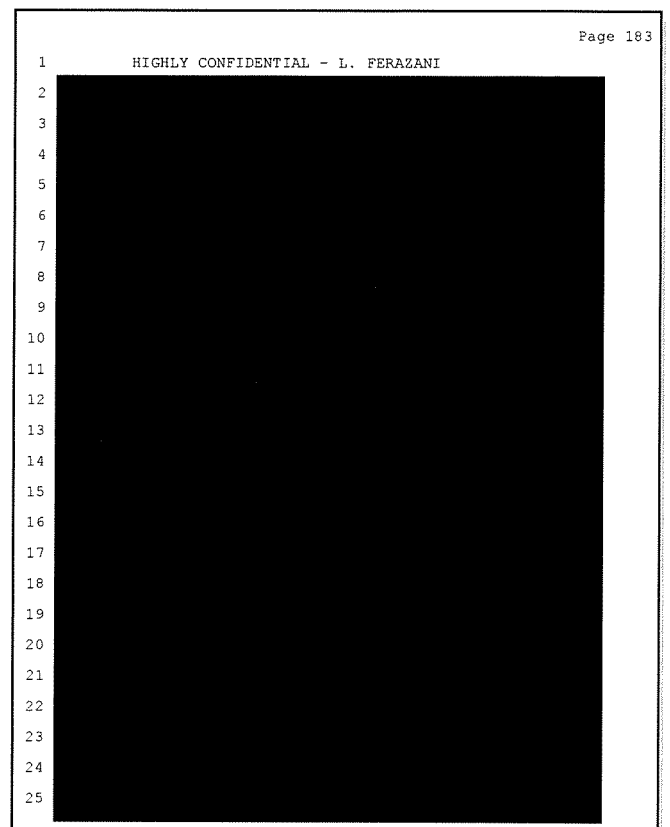
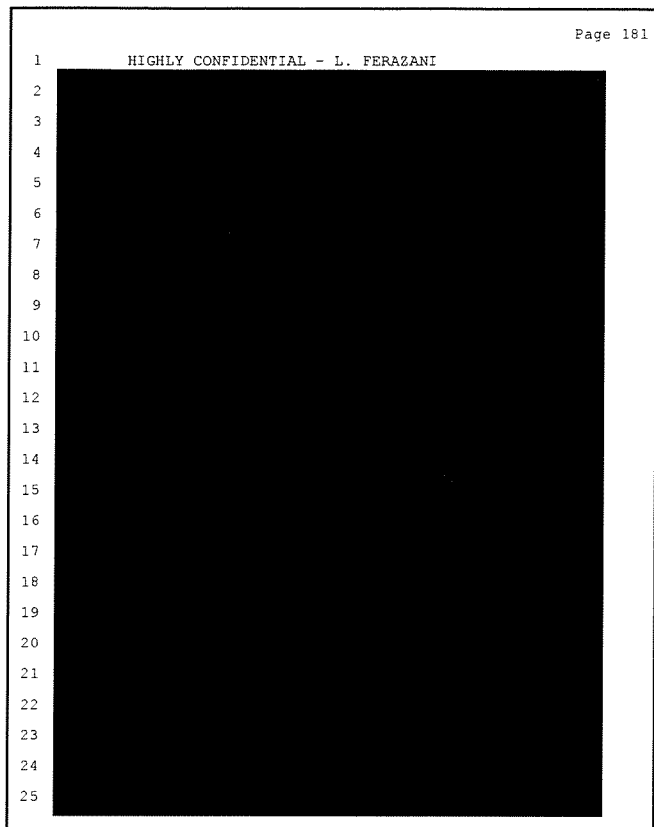
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Q. And the NFL wants its fans to watch games for other teams in addition to their favorite team, correct?

A. For the purpose of appreciating the sport and appreciating the efforts of the athletes on the other teams and for enhancing the fan experience and deepening our ties with that fan, yes, we do.



Q. One would expect that a bettor would want to watch the game that he or she bet on, correct?

MR. DREYER: Objection, calls for

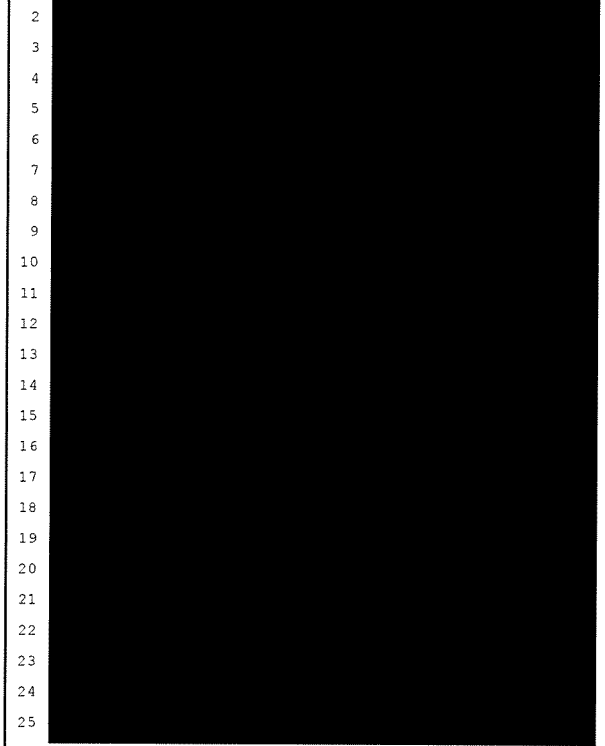
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speculation. You can answer.

A. Not necessarily. A bettor -- and that's going back to our initial premise. A bettor is viewing our game purely as a financial transaction. The bettor isn't concerned with the artistry of the sport, the effort of the individual athlete. All the bettor cares about is if his team covered the spread or not.

To determine if he covered the spread or not, he would just need to open up the sports page the day after the game. It actually is opposite to what the fantasy football player would be interested. So I disagree with the premise, but it's speculative.

Q. So you don't think that bettors watch the games that they bet on?

A. I guess some may. I'm not sure. It's entirely speculation.



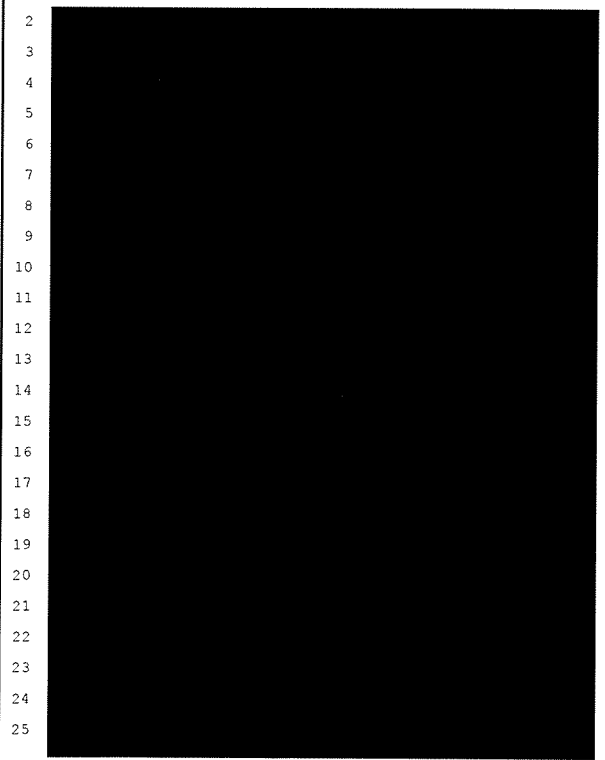
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13 A. I would say our focus is developing
14 fans for watching games for the right reasons
15 because that leads to the long-term success,
16 as we discussed. Other leagues and other
17 sports where those sports have decided to
18 align themselves with gambling, they did not
19 have a very long period of success. And,
20 again, going back to Jai Alai, horse racing.
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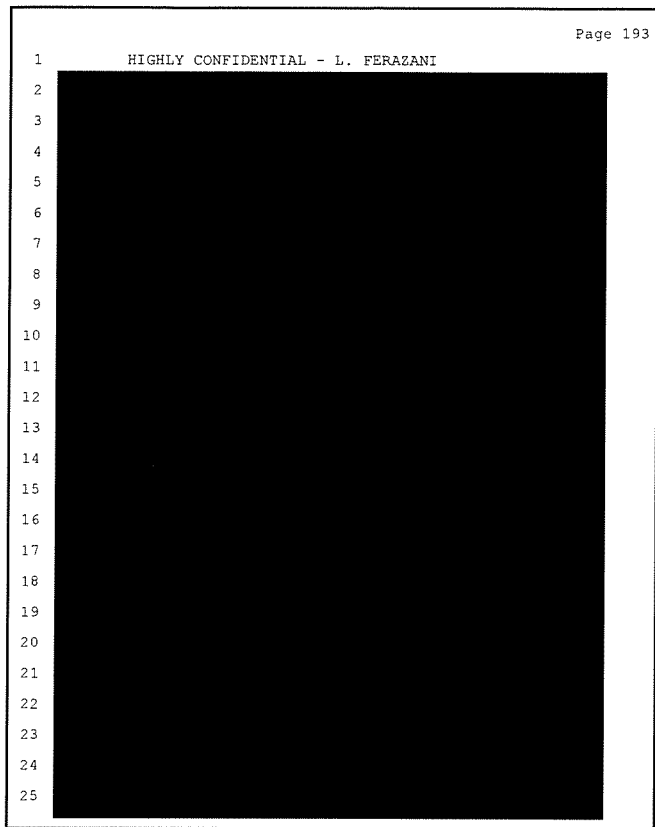
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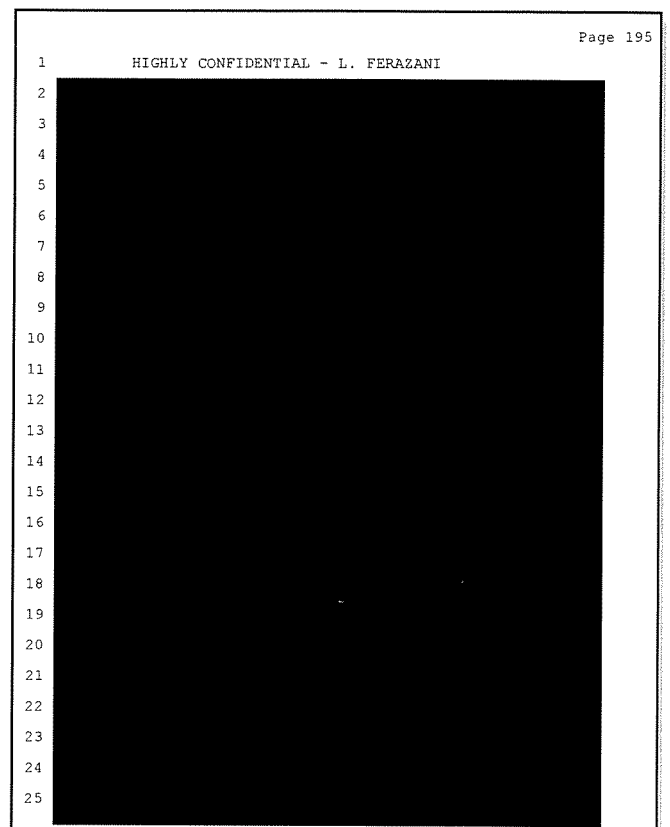
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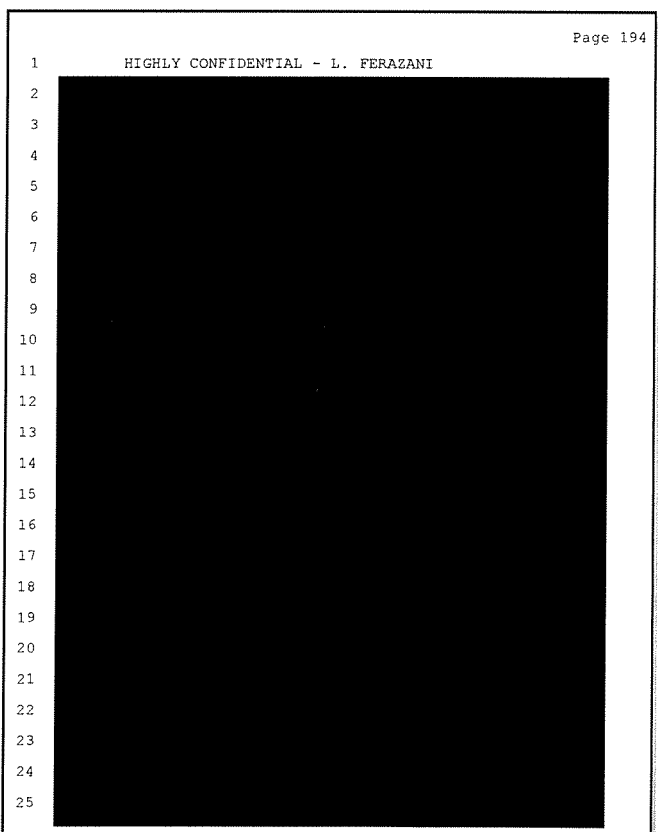
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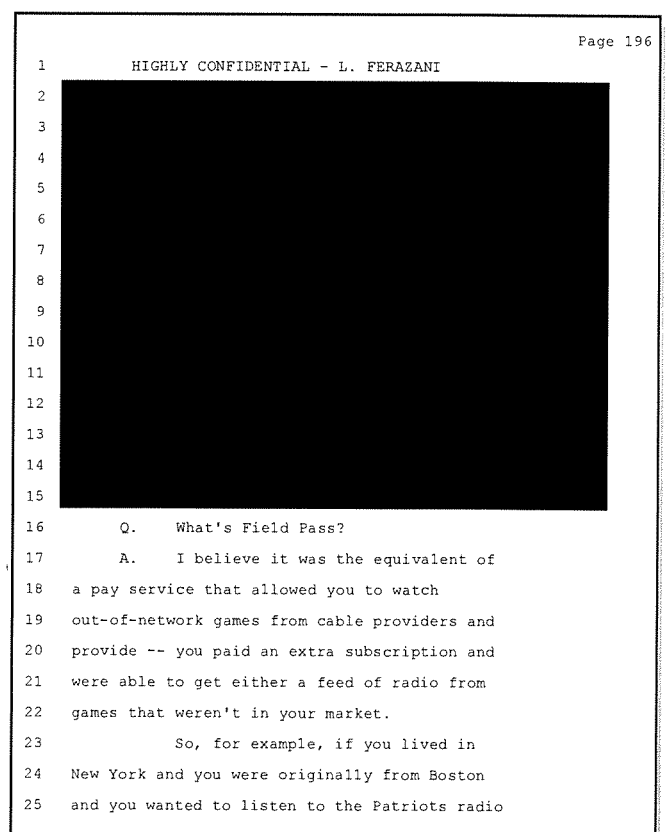
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call, you could get Field Pass.

Q. Was it a service through NFL.com?

A. I'm not sure. I'm not sure who -- where it was housed.

MR. SIGLER: Can we go off the record for a minute, please.

MR. DREYER: Before we do, though, I actually object to counsel's characterization of the document which speaks for itself.

We can go off the record.

MR. SIGLER: Okay.

(A discussion was held off the

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MR. SIGLER: I disagree with your characterization but --

MR. DREYER: I don't know why you can because you haven't seen the document.

MR. SIGLER: I disagree with your characterization of the Court order and the category that we negotiated. And

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record.)

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we've had our e-mail exchange and our correspondence about this. I continue to object. I'd like to reiterate the request that you rectify this now so we don't waste our time later.

MR. DREYER: I have the court order so what did I mischaracterize about the court order?

MR. SIGLER: Well, I sent you an e-mail last night about it.

MR. DREYER: I understand. But you directed me today to produce anything in these documents related to fantasy football. That's not as broad as your request you drafted and not as broad as the court order.

The court order says: Documents regarding the impact or potential impact of sports gambling, fantasy sports and/or March Madness pools on consumer perceptions or loyalties, competition, integrity, ticket sales, attendance, revenues or viewership ratings. that's --

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MR. SIGLER: Look, we're not going to waste more time on the record about this. I sent you an e-mail last night about it. We're going to move on. I object. I think we're entitled to the entire document, and we're going to move on. I take it you're refusing to produce the entire document now, right?

MR. DREYER: Correct.

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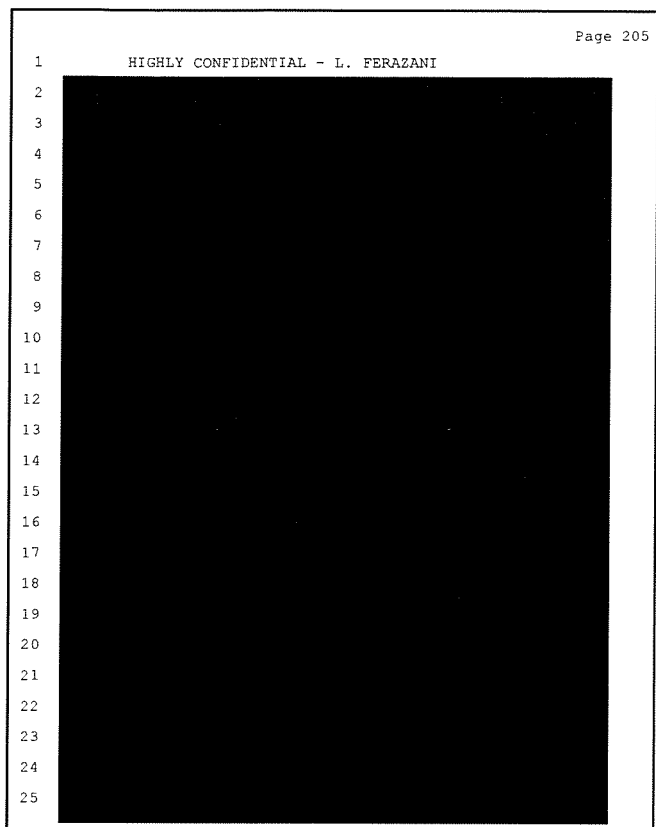
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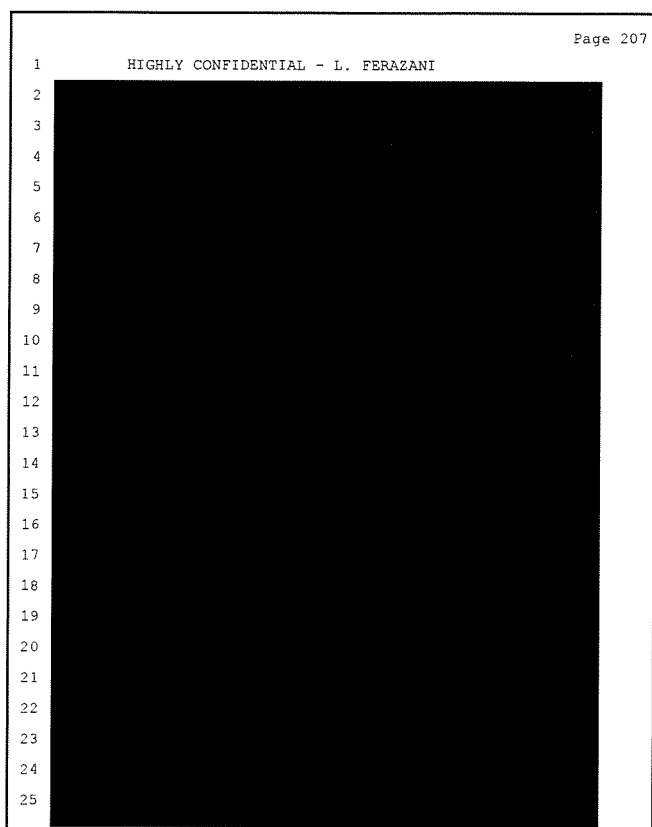
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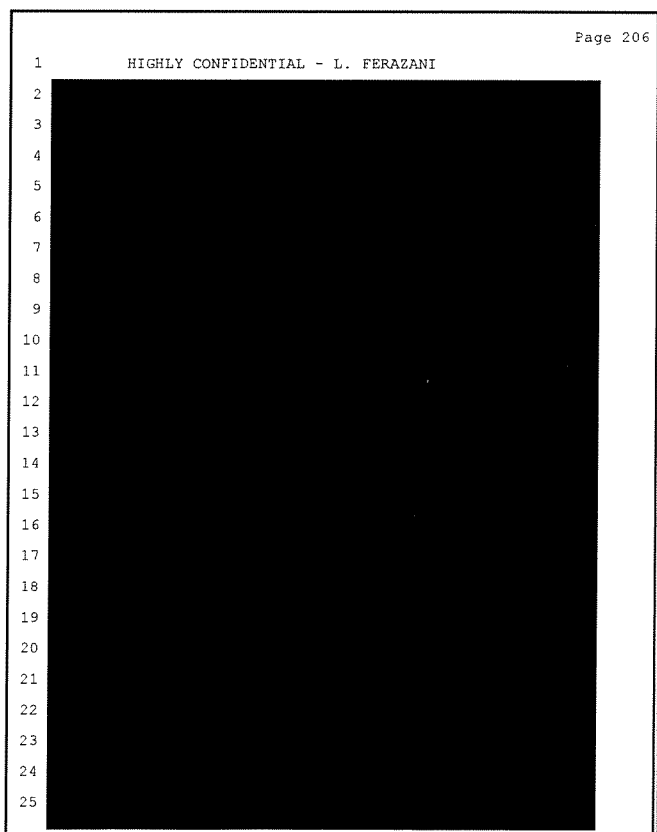
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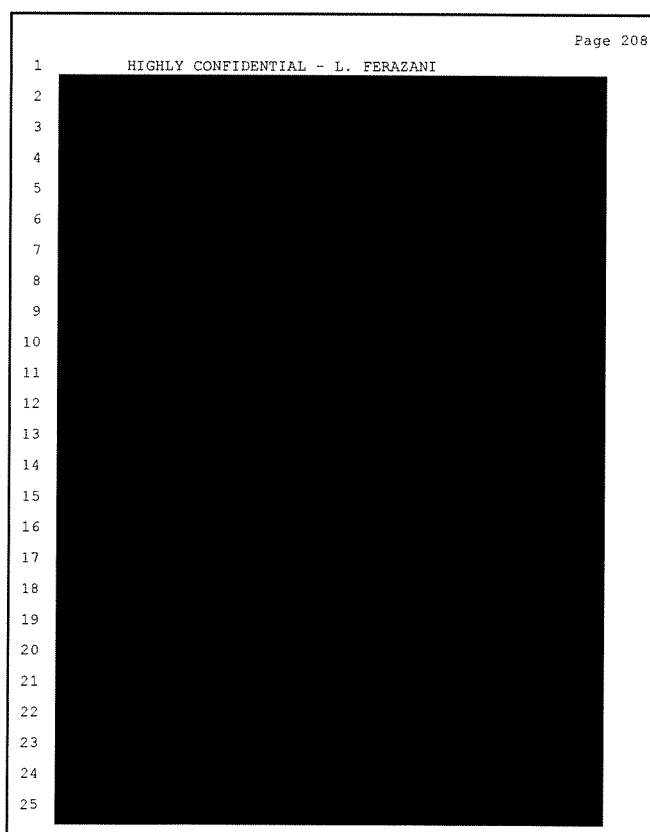
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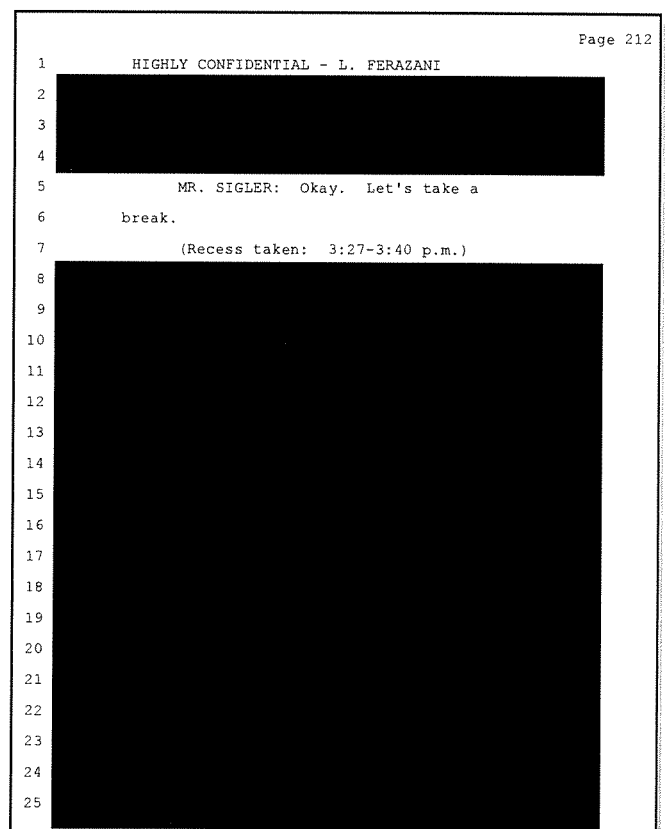
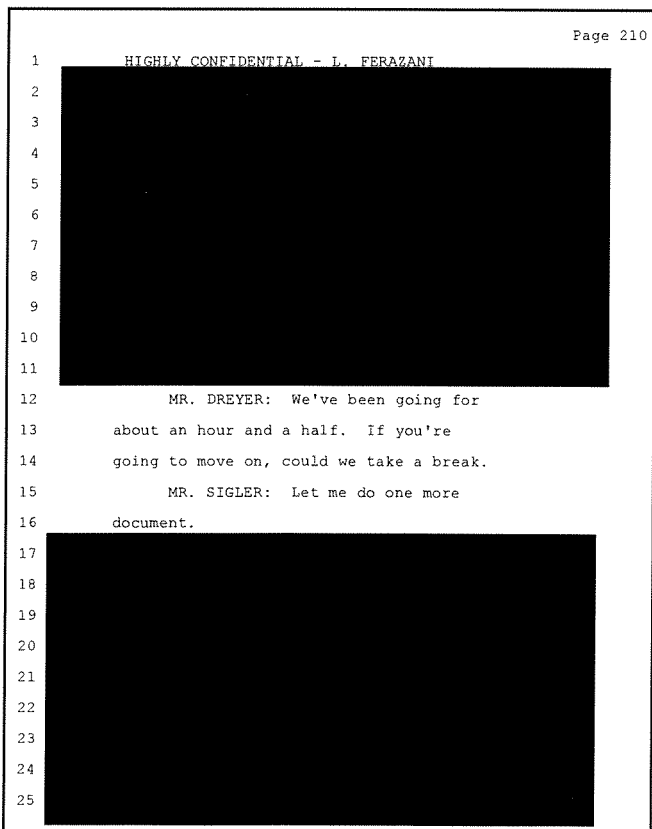
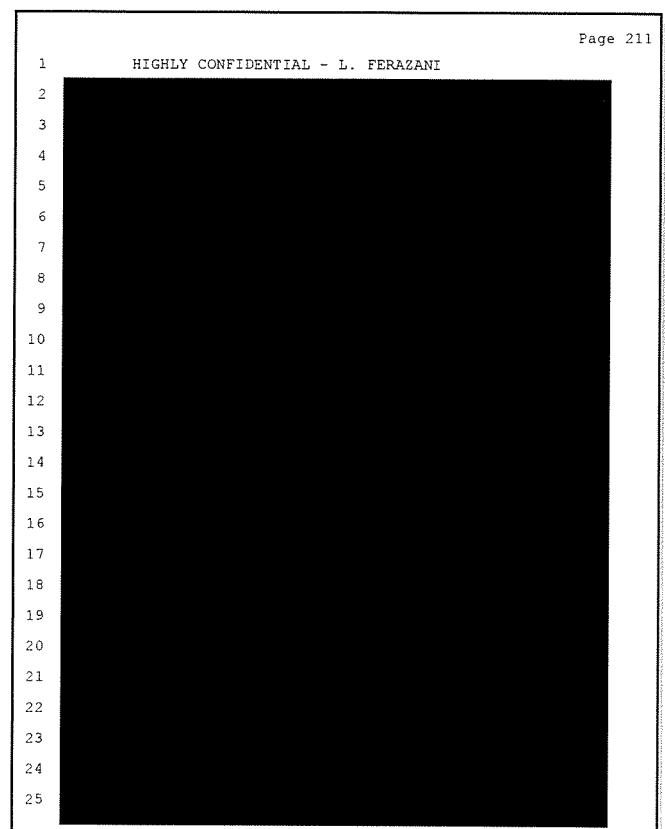
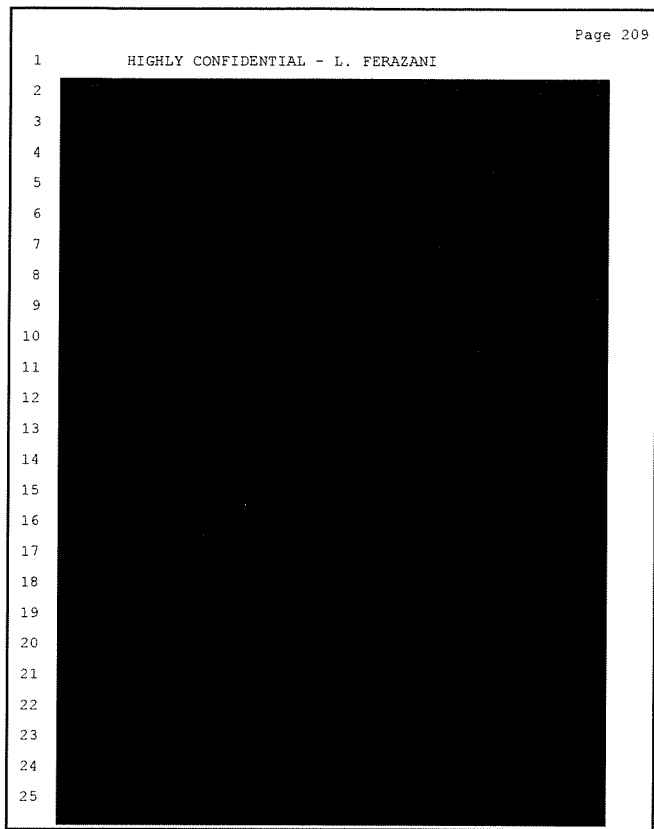
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(Exhibit 26: Fantasy Football

Offering NFL.com (#PLAINTIFFS' 00003136-3150), was marked for identification.)

BY MR. SIGLER (continuing):

Q. Mr. Ferazani, you've been handed a document marked Exhibit 26. Please take a look at this document and tell me whether you recognize it.

A. I believe we produced this in response to the document request.

Q. And what is this?

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season, correct?

A. That's correct, yes.

Q. At the time a participant drafts his or her team at the beginning of the season, the outcome of the fantasy football game is uncertain, correct?

A. True, yes.

Q. And NFL.com offers a prize to the winner of its fantasy football game, correct?

A. Several prizes, I believe, yes; grand prize, first prize, et cetera, yes.

Q. And turning to page 12 of the document with the Bates number 3147 at the bottom right-hand corner, there's a list of prizes, correct?

A. Yes.

Q. And the grand prize is a package of items valued at \$16,600. Correct?

A. Well, it's a trip to the Super Bowl and various other elements including a tailgate party and gift bags and other events and material related to the National Football League, yes. And there's a retail value listed on that of \$16,600.

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A. It appears to be our fantasy football offering for 2012.

Q. This is the fantasy football offering on NFL.com, correct?

A. Yes, correct.

Q. And how does fantasy football work on NFL.com?

MR. DREYER: Objection to the form of the question. You can answer.

A. My understanding is you sign up for the service either as an individual or a team and join an existing league, or you can create your own league using the platform on NFL.com.

Q. And participants draft players for their fantasy football team, correct?

A. That's correct, yes.

Q. And then they set their lineups throughout the season and accumulate points, correct?

A. Correct. Depending on how their lineups perform in actual games, correct, yes.

Q. And then the winner of the fantasy football league on NFL.com is determined by how many points are accumulated throughout the

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Q. And can you turn back to the first page of the slide, 6136.

A. Yes.

Q. Do you see that there is an all-capital paragraph under Official Rules that starts with the statement: No purchase or payment of any kind. Do you see that?

A. I do see that, yes.

Q. And do you see that the second sentence of that paragraph says: This promotion may not be used to conduct, advertise or promote any form of gambling?

A. I see where it says that.

MR. DREYER: I'm sorry, I think unless I'm looking at a different page, I don't think that's quite what the document says but it's close.

MR. SIGLER: What does it say, Anthony?

MR. DREYER: The third sentence you're talking about: This game may not be used to conduct, advertise or promote any form of gambling? Are we looking at the same place?

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
2 MR. SIGLER: Mine says "this
3 promotion." We're looking at a different
4 paragraph.

MR. DREYER: Okay.

6 BY MR. SIGLER (continuing):

7 Q. Look at the all-caps paragraph.
8 The second line of the all-caps paragraph
9 says: This promotion may not be used to
10 conduct, advertise or promote any form of
11 gambling.

12 MR. DREYER: Thank you, yeah, I've
13 got it.

14 Q. So we're all there now.

15 Mr. Ferazani, are you there?

16 A. I was there earlier.

17 Q. Okay. Why does the NFL include
18 this statement on its fantasy football league
19 website?

0 MR. DREYER: I would caution the
1 witness, in answering that, not to
2 disclose any attorney-client
3 communications or any legal advice
4 received by counsel. You can answer the
5 question if you're able to.

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 Q. What are custom leagues?

3 A. My understanding is that that would
4 be if you wanted to run your own league with
5 specific points. There's a variable within
6 fantasy football if you want to promote
7 passing versus running. My understanding is
8 that you can point -- the points assigned for
9 different activities can vary from league to
10 league.

11 Q. So is it the case that the NFL.com
12 site provides two types of leagues: one
13 that's managed by the NFL and one that is
14 managed by a participant in the League?

15 A. I'm not sure that "managed" is the
16 right term. I think some of the leagues on
17 NFL.com are made up or populated of players
18 who come in and just want to pick their own
19 team and don't necessarily have a group of
20 other friends that they want to play against,
21 and they can play against a league that's run
22 against the people they don't know run by the
23 League, by the NFL.

24 I think in other instances there
25 can be a group of people that come in with a

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
2 A. I'm not sure of the purpose of the
3 -- why do we include that? I'm uncertain if
4 there's certain restrictions or warnings that
5 should be included. But I think it's also
6 self-explanatory; it's not designed to use
7 this device to conduct, advertise or promote
8 any form of gambling.

9 Q. And is the NFL concerned that
0 without this statement people would use
1 NFL.com to conduct gambling?

2 A. I'm not sure I can answer that. I
3 don't know.

4 Q. Does the NFL think that including
5 that statement will prevent people from
6 conducting gambling?

7 MR. DREYER: Objection to the form
8 of the question.

9 A. Certainly they've been instructed
0 not to use it to do so.

1 Q. Do you see on the left-hand side of
2 the page there are three gray rectangles. One
3 says General Rules, one says NFL Managed
4 Leagues and one says Custom Leagues?

5 A. I see that.

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 predetermined amount of folks and they want to
3 set up their own league and assign specific
4 points for certain offense or defense or
5 perhaps differently from what the NFL's
6 standard league has set up.

7 Q. So if a group of ten people wants
8 to get together and have its own league, they
9 could do so through this custom league option?

10 A. I believe that's the manner in
11 which they would do so, yes.

Q. Do you think that a grand prize of \$16,600 is sufficient to create a financial interest in someone?

15 MR. DREYER: Objection to the form
16 of the question.

7 A. I think you've mischaracterized the
8 prize as we've discussed and as it's reflected
9 in Exhibit 26. The prizes, all three prizes
10 actually, that are reflected under this
11 Fantasy section are directly related to our
12 game and appreciation of the game. A trip to
13 the Super Bowl, a trip to the parties around
14 the Super Bowl, airfare; they're all game-
15 centric prizes. They're all designed to

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deepen the winning fan's relationship and appreciation of the sport.

The second prize, a trip to London for the London game, the same thing; it's focused on the game. It's focused on a unique game that we have, an international aspect of our game.

And the third prize which is listed -- the second prize, a credit to buy NFL merchandise. So it's not a cash prize; it is designed to, again, deepen that winning fan's relationship with the League and clubs and the sport.

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likely to avail themselves of the various products that the League offers.

Q. And the League wants to deepen its fans' interest in the NFL so that they watch more football and participate in other NFL products of the type you just mentioned, correct?

MR. DREYER: Objection to the form of the question. You can answer.

A. I would say the interest and appreciation and understanding of the game. With that clarification, yes.

Q. You want them to have an appreciation of the game so that they will watch the game, correct?

MR. DREYER: Objection, mischaracterizes the witness' testimony. You can answer.

A. That's a fair characterization. The more that you appreciate the sport and the game, we believe you will have more of an appreciation which will lead you to watch it more often.

(Exhibit 27: NFL.com website, was

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Q. So the NFL provides these leagues and these prizes to encourage people to watch more football, correct?

MR. DREYER: Objection to the form of the question.

A. And to deepen their relationship with each individual fan because it educates each individual fan about players, not necessarily on their own teams. It allows them a greater understanding of the game.

And going back to the answer from earlier today, in the analogy given with the Denver Broncos and John Elway, it allows for a fan to develop their understanding and appreciation of the game more deeply. That leads to a better fan for the NFL, a more committed fan, a more involved fan, a fan more

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marked for identification.)

MR. DREYER: Again, I just object to the use of a document not previously produced and it violates the court order in this case.

MR. SIGLER: Objection noted and disagree. We'll move on.

BY MR. SIGLER (continuing):

Q. Mr. Ferazani, you've been handed a copy of a document marked Exhibit 27. Please take a look at this document and tell me whether you recognize it.

A. I don't. I can see what it appears to be.

Q. And I will represent that we printed this from the NFL.com website because we wanted to understand more about how the products work.

Can you turn with me, please, to the second page of the document. Do you see towards the top of the document, it says: What is the Fees link reference near the top of the League Home Page? Isn't NFL.com Fantasy Football 2012 totally free?

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1 HIGHLY CONFIDENTIAL - L. PERAZANI

2 Do you see that?

3 A. Yes.

4 Q. And then below that do you see: In

5 custom NFL.com fantasy leagues, the League

6 manager can calculate and track fees

7 associated with his or her league through the

8 Fees tool. The option exists for custom

9 league managers to set up, at their

10 discretion, fees for the following: player

11 ads, trades and initial league fees.

12 The Paid and Balance columns help

13 League managers convey current fees owed to

14 all team owners. Access the Fees tool by

15 navigating to Fees in the League Home Page.

16 From this page, team owners can view current

17 fees and balances and league managers can edit

18 these values?

19 Do you see all of that?

20 MR. DREYER: Will you read the

21 entire paragraph, since you're going to

22 read it, for the complete record.

23 Q. The last sentence says: To

24 reiterate, all NFL.com fantasy football

25 leagues are free to join, create and play.

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 A. I don't know what that means or why

3 there would be a league fee for something that

4 is, as it says in the last sentence, free to

5 join, create and play.

6 Q. Well, do you understand that what

7 this is saying is that a league manager could

8 decide to set a fee for participants in the

9 league to pay when they enter the league?

10 MR. DREYER: Same objection. You

11 can answer.

12 A. And I'm at a disadvantage. As I

13 said, I don't play fantasy football or I've

14 never gone through our site to set up a game

15 or team so I'm not sure what that refers to.

16 I can read it along with you. I can't give

17 you any more information as far as what this

18 means.

19 Q. But you understand what this is

20 saying, just reading it with me, that the Fees

21 page allows a league manager to set an initial

22 league fee for a fantasy football league.

23 Correct?

24 MR. DREYER: Objection; foundation,

25 asked and answered.

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 Do you see that?

3 A. I see all that, yes.

4 Q. So are you familiar with the Fees

5 page on NFL.com?

6 A. I'm not.

7 Q. Do you see that the Fees page is

8 available to track fees for custom fantasy

9 leagues?

10 A. I see that.

11 Q. And do you see that one type of fee

12 that the Fees page is set up to track is the

13 initial league fees?

14 A. I'm not sure what that means.

15 Q. Well, do you see that it says that?

16 A. The option exists for custom league

17 managers to set up, at their discretion, fees

18 for the following: player ads, trades and

19 initial league fees. I see that.

20 Q. And so do you understand that that

21 means that, in a custom league on NFL.com, the

22 League manager can set up an initial league

23 fee for the fantasy football league?

24 MR. DREYER: Objection as to

25 foundation. You can answer.

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 A. And, again, I don't know what that

3 means as far as an initial league fee since

4 it's free to join, create and play. I don't

5 know what it means.

6 Q. Well, NFL.com is free to use,

7 correct?

8 A. That's correct.

9 Q. But if ten friends set up a fantasy

10 football league, the ten friends could agree

11 to put in an initial fee, correct?

12 MR. DREYER: Object as to

13 foundation.

14 A. Again, I'm not -- what ten people

15 decide to do, they could do anything they

16 wanted to do, I imagine. I don't play this, I

17 don't know what this means.

18 Q. And according to this provision,

19 NFL.com would allow a group of ten people to

20 get together, set up a league and put in an

21 initial league fee. Correct?

22 MR. DREYER: Same objection as to

23 foundation.

24 A. According to this provision,

25 there's an option for a custom league manager

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
2 to set up an initial league fee.
3 Q. And are you familiar with any kind
4 of fantasy football league that involves an
5 initial league fee?
6 A. I'm sorry, I'm not.
7 Q. Do you know what would happen to an
8 initial league fee in a league like this that
9 involves an initial league fee?
10 MR. DREYER: Objection. There's
11 absolutely no foundation. Are you just
12 asking the witness to guess? You have
13 the objection.
14 A. I don't know how that league fee
15 would be collected, would be assigned or what
16 it would be for. I know that to play NFL.com
17 fantasy football, it's free to join, create
18 and play. That's the extent of my
19 understanding.
20 Q. Do you know whether NFL.com tracks
21 the fees set by participants on NFL.com?
22 A. I don't know.
23 Q. Do you know whether there's any
24 limit on the fees that can be set by a league
25 manager on NFL.com?

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
2 and the winner of the league would win the
3 pool?
4 A. I'm not sure if that meets the
5 legal definition for criminal gambling. I'm
6 not sure.
7 Q. What about your definition?
8 A. I'd have to go back and --
9 Q. You may be looking for Exhibit 14.
10 A. Thank you, yes.
11 Q. This is the NFL's definition of
12 gambling, correct?
13 A. Um-hmm.
14 Q. So if a fantasy football league
15 were established on NFL.com where the
16 participants paid an initial league fee into a
17 pool and the winner of the league won the
18 pool, would that qualify as gambling under the
19 NFL's definition?
20 A. (Examining document.)
21 I don't know. I don't believe it
22 would, given that our definition folks on a
23 specific event with uncertain outcome
24 [verbatim].
25 Fantasy football has to do with --

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
2 A. I don't know.
3 Q. What do you think an initial league
4 fee would be for if not for a pool from which
5 a prize could be drawn?
6 MR. DREYER: Objection; calls for
7 speculation, lack of foundation.
8 A. I'd be guessing.
9 Q. Do you see anything in this
10 provision or anything else that you've seen on
11 NFL.com that would prevent a league manager
12 from setting up a pool with initial league
13 fees and paying a prize to the winner?
14 MR. DREYER: Objection, asked and
15 answered. The rules speak for
16 themselves. But you can answer.
17 A. Again, I'm not sure if that would
18 constitute gambling and, if so, under the
19 first page of Exhibit 26, if it is gambling,
20 it would violate what is set up in the first
21 page of the NFL.com Fantasy 2012 Official
22 Rules.
23 Q. Would it be gambling if a
24 participant in a fantasy football league paid
25 an initial league fee that went into a pool

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
2 by the -- in the hypothetical that you've just
3 presented, with members of a league, each who
4 would have their own teams engaging in
5 transactions over the course of that season,
6 tracking individual players that they retain
7 or choose to discard against other players
8 making similar decisions based on the relative
9 skill levels of the players from whom they can
10 select.
11 Q. At the time someone drafts their
12 fantasy football team and enters the fantasy
13 football league, the outcome of that league is
14 uncertain, correct?
15 A. That's correct.
16 Q. So how is a fantasy football league
17 not an event that involves an uncertain
18 outcome?
19 MR. DREYER: Objection to the form
20 of the question, incomplete hypothetical.
21 You can answer.
22 A. Both points are gathered over the
23 course of an entire season which would be at
24 least 16 games for players, each individual
25 player -- you know, it's a series of events,

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
2 so to speak, and it's a game in which the
3 winner is determined by points over that
4 entire series, not based upon one of our
5 games, one of our events. By "our" I mean NFL
6 contests.

7 Q. So are you saying that an NFL
8 fantasy football league does not constitute
9 gambling under the NFL's policy because it
10 involves multiple games as opposed to a single
11 game?

12 MR. DREYER: Objection to the form
13 of the question, mischaracterizes prior
14 testimony. You can answer.

15 A. Because it's not a wager on a
16 specific incident or specific event in which
17 the outcome of that wager is determined by
18 that specific event. I also know that I
19 believe under Yu-Gi-Oh! [phonetic], by the
20 legal definition of what is gambling, the
21 hypothetical you presented is not gambling.
22 But that's straying into legal opinion.

23 Q. Earlier today I asked you whether,
24 if you and I placed a wager on how many yards
25 or touchdown passes Tom Brady would have

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
2 statistical total.
3 That's different from fantasy
4 football as defined under the Unlawful
5 Internet Gambling Act and as also defined, in
6 my understanding, by federal law. Fantasy
7 football has enough variables where there's so
8 many players on each individual team where
9 you're accumulating points that it's not
10 dependent upon the performance of one specific
11 player or one specific -- or the outcome of
12 one specific game.

13 Q. So to be considered gambling under
14 the NFL's gambling policy, the wager would
15 need to involve a single game or a single
16 player?

17 MR. DREYER: Objection,
18 mischaracterizes the witness' testimony.
19 He was not testifying as to the NFL's
20 policy. But he can answer.

21 A. Under our policy broadly, a gamble
22 or a bet is a financial transaction in which
23 the winner or loser is determined by the
24 outcome of a specific event such as a wager on
25 a game, for a specific occurrence such as who

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
2 through the entire season, that would
3 constitute sports gambling. Do you recall
4 that?

5 A. I remember that somewhat.

6 Q. And you agreed with me that if we
7 were to place a wager on that, that it would
8 involve sports wagering, correct?

9 A. Whether Mr. Brady made X amount of
10 touchdowns or not, yes.

11 Q. So how is the situation we're
12 talking about now with fantasy football any
13 different in terms of involving multiple games
14 as opposed to a single game?

15 MR. DREYER: Objection to the
16 extent it calls for a legal conclusion
17 and mischaracterizes the witness'
18 testimony.

19 A. Fantasy football is based upon the
20 performance of numerous players who are
21 playing in numerous real games scattered over
22 the course of a season. What you alluded to
23 in your hypothetical is whether or not one
24 player, over the course of a season, can hit a
25 specific predetermined number of whatever

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
2 scores first, or a specific single player's
3 performance over the course of a season.
4 Fantasy football is not that.

5 The analogy you're attempting to
6 make between gambling and betting and fantasy
7 football is not apt. Fantasy football is
8 dependent upon the performance of numerous
9 players on different teams as compared to the
10 performance of other players on other teams as
11 they perform each week in and out.

12 It's also dependent upon the
13 decisions made by each individual team owner,
14 and team owner in quotes as far as the fantasy
15 football team owner. And at the end of the
16 day, at the end of the season, whichever team
17 owner has made the selections which result in
18 the highest number of points, after all of
19 those variables are calculated, is the winner.
20 That's different from a bet dependent upon a
21 single game, a single event or a single
22 player.

23 Q. Is there something in the NFL's
24 gambling policy, Exhibit 14, that you think
25 supports the distinction you're making between

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
2 a wager on a single event and fantasy football
3 which involves an entire season?

4 MR. DREYER: Just note my objection
5 because the questions are going back and
6 forth between federal law and the NFL's
7 policy, and I'm not sure they're clear
8 anymore. But you can answer.

9 MR. SIGLER: For the record, I've
10 only been asking him about Exhibit 14,
11 I'm still only asking about Exhibit 14.
12 He's made reference to the policy once or
13 twice, but our discussion right now is in
14 the context of Exhibit 14.

15 BY MR. SIGLER (continuing):

16 Q. Just to be clear, is there
17 something in Exhibit 14 that supports the
18 distinction you're making between wagering on
19 a single game versus a fantasy football league
20 which involves an entire season?

21 A. I would say that the Section 3,
22 Chance, the use or exercise of skill, strategy
23 and/or knowledge, it completely negates the
24 element of chance and does not convert an
25 activity into something other than gambling.

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
2 supported by the fact that fantasy football
3 involves skill, strategy or knowledge?

4 A. I think primarily the distinction
5 is that the federal law has said that fantasy
6 football is not gambling.

7 (Exhibit 28: Title 31 - Money &
8 Finance, was marked for identification.)
9 BY MR. SIGLER (continuing):

10 Q. Mr. Ferazani, you've been handed a
11 copy of a document marked Exhibit 28. This is
12 a printout of the part of the federal code
13 that incorporates a prohibition on funding of
14 unlawful Internet gambling.

15 Is this the federal law that you
16 were referring to?

17 MR. DREYER: Same continuing
18 objection with respect to documents not
19 previously produced in accordance with
20 the Court order. You can answer.

21 A. (Examining document.)
22 Again, I'm not sure. I know that
23 we had outside counsel review the fantasy
24 football offering prior to it being presented.
25 And my understanding is the opinion reached

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
2 Q. And how does that provision support
3 the distinction you're making?

4 A. I believe that that is the
5 distinction made as far as why fantasy
6 football is considered a permitted activity
7 versus a gambling event or a bet.

8 Q. Do you think that the use of skill,
9 strategy or knowledge in playing fantasy
10 football completely negates the element of
11 chance?

12 A. I believe that, as it's applied to
13 fantasy football, that is why fantasy
14 football's not interpreted to be gambling
15 under our policy or under law.

16 Q. But no matter how much skill you
17 have in playing fantasy football, your best
18 player could be injured due to chance,
19 correct?

20 MR. DREYER: Objection,
21 argumentative. You can answer.

22 A. Presumably a successful manager of
23 a fantasy football team has a deep enough
24 bench to overcome that.

25 Q. So the distinction you believe is

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
2 was that fantasy football is not gambling.
3 It's an opinion that I have due to the fact
4 that it's readily available throughout the
5 Internet and from the studies you've shown me
6 that explain the distinction between fantasy
7 football and sports wagering as to the extent
8 that impacts the National Football League
9 where the National Football League has
10 embraced fantasy football and is fighting
11 sports gambling.

12 Q. So you think the distinction
13 between sports gambling and fantasy football
14 is that the NFL has decided to make that
15 distinction?

16 MR. DREYER: Objection,
17 mischaracterizes the witness' testimony.

18 A. That's not what I said.

19 Q. Can you explain what you meant when
20 you said that the National Football League has
21 embraced fantasy football and is fighting
22 sports gambling?

23 A. Yes. As I've explained, the
24 distinction between fantasy football and
25 gambling is set forth in federal law. Again,

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1 HIGHLY CONFIDENTIAL - L. PERAZANI
2 that's relying upon other outside counsel's
3 opinion rendered before we offered --
4 MR. DREYER: Again, just I'd
5 caution the witness not to disclose any
6 attorney-client communication.
7 A. My understanding being that fantasy
8 football is not gambling pursuant to federal
9 law. The distinction between fantasy football
10 and gambling, as it impacts the National
11 Football League, is that fantasy football
12 serves a purpose to deepen our roots and our
13 relationship with our fans and with our most,
14 quote, diehard, unquote, fans.
15 Gambling is detrimental to that
16 relationship, to a relationship with our fans,
17 and does not lead to a long-term relationship
18 with fans as fantasy football does.
19 Q. Mr. Perazani, you have in front of
20 you Exhibit 14 which is the NFL gambling
21 policy, you have Exhibit 28 which is the
22 statute that you referred to. I'd just like
23 to make sure that I understand the distinction
24 that you're making between fantasy football
25 and sports gambling.

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
2 BY MR. SIGLER (continuing):
3 Q. Mr. Ferazani, you've been handed a
4 document marked Exhibit 29. Please take a
5 look at this document and tell me whether you
6 recognize it.
7 A. I do.
8 Q. What is this document?
9 A. This appears to be the fantasy
10 football offering under our NFL Rush program,
11 which is geared more to the youth.
12 Q. And it looks like from the
13 Eligibility section on the first page of this
14 document, that children between ages of 6 to
15 15 are eligible to participate in this fantasy
16 football game. Correct?
17 A. Correct.
18 Q. And do you see the statement right
19 above that in bold that says: This game may
20 not be used to conduct, advertise or promote
21 any form of gambling?
22 A. I see that.
23 Q. Is the NFL concerned that, if not
24 for that statement, seven-year-olds would be
25 gambling?

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1 HIGHLY CONFIDENTIAL - L. PERAZANI

2 Apart from the NFL's interests, why

3 is fantasy football any different than sports

4 gambling?

5 MR. DREYER: I think now you're

6 asking for the witness to offer legal

7 conclusions. You've gone beyond 30(b)(6)

8 territory. The witness can answer as to

9 his understanding without disclosing any

10 attorney-client communications.

11 A. Just to clarify, I'm not sure that

12 what's been marked as Exhibit 28 is what we

13 relied upon in reaching the conclusion. I

14 know from the documents that you've shown me

15 as well as from the fact that NFL.com offers

16 fantasy football, it is not illegal gambling;

17 it is authorized under federal and state law.

18 Sports gambling, betting on NFL

19 games, is illegal in every state but those

20 exempted under PASPA. That is the distinction

21 on which we rely.

22 (Exhibit 29: Fantasy football

23 offering NFL Rush program (#PLAINTIFFS'

24 00003174-3181), was marked for

25 identification.)

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 A. I'm not sure if there's a legal

3 requirement for that to be on the rules

4 section or not.

5 Q. Do you know what the history is

6 behind the NFL's offering of a product

7 targeting 6- to 15-year-olds for fantasy

8 sports?

9 MR. DREYER: Objection to the form

10 of the question. You can answer.

11 A. I'm not sure what you mean by "the

12 history." Meaning how long it's been offered?

13 Q. Yes.

14 A. I'm not sure.

15 Q. Is the purpose of this product, NFL

16 Rush, to try to engage children between the

17 ages of 6 and 15 years old at an early age?

18 A. Engage them in the NFL, the League

19 and our athletes, yes.

20 Q. Can you turn with me, please, to

21 the page with the Bates number of 3179 in the

22 bottom right-hand corner.

23 A. Yes.

24 Q. And do you see the Prizes section

25 that refers to a grand prize that includes all

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 of the following? I'm not asking you to read

3 the whole section.

4 A. Um-hmm.

5 Q. Do you see that the first part of

6 the grand prize is a \$10,000 scholarship, in

7 quotes, awarded in the form of a check?

8 A. I see that.

9 Q. Do you know why the word

10 "scholarship" is in quotes?

11 A. I would guess that it's a

12 specifically defined term or -- I'm not sure

13 why they would put it in quotes.

14 Q. Could it be because it's being

15 issued in the form of a check that could be

16 used for any purpose regardless of whether

17 it's a scholarship?

18 A. Honestly I'm not sure.

19 Q. Do you think that a \$10,000

20 scholarship would create a financial interest

21 in the outcome of this fantasy football

22 league?

23 A. If it's a scholarship, it's

24 consistent with the other principles of NFL

25 Rush, which is developing youth or enhancing

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 A. I'm not sure what you -- is a

3 \$10,000 scholarship something that someone

4 would want? Yes, I would imagine they would

5 want that. That's probably why it's a prize.

6 Q. And the parents would want it, too,

7 in addition to the seven-year-olds who are

8 participating, correct?

9 A. As the father of three daughters,

10 yes, I would like that as well.

11 Q. Is the NFL concerned that

12 participants in this NFL Rush fantasy football

13 league will be watching NFL games because of

14 their interest in collecting a \$10,000 check

15 rather than in deepening the bonds of loyalty

16 between the fans and their teams?

17 A. First it is a \$10,000 scholarship.

18 The money is used to -- and I'm interpreting

19 the term "scholarship" to mean for the

20 continuing education of the winning

21 participant. [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED]

25 [REDACTED]

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 youth's athletic endeavors and educational

3 opportunities.

4 Q. The winner of this NFL Rush fantasy

5 football league gets \$10,000, correct?

6 MR. DREYER: Objection,

7 mischaracterizes the rules.

8 A. They receive a \$10,000 scholarship

9 awarded in the form of a check.

10 Q. The winner gets a check that says

11 \$10,000, correct?

12 A. I'm not sure.

13 Q. Well, they get a \$10,000

14 scholarship awarded in the form of a check,

15 correct?

16 MR. DREYER: The rules speak for

17 themselves. You can answer.

18 A. They receive a \$10,000 scholarship

19 awarded in the form of a check, yes.

20 Q. So is a \$10,000 scholarship awarded

21 in the form of a check a large enough prize to

22 create a financial interest in the outcome of

23 this fantasy football league?

24 MR. DREYER: Objection to the form

25 of the question. You can answer.

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 So it is for all those reasons that

6 we want to have younger players to engage in

7 fantasy football to develop a deep bond that

8 will last into their -- for the rest of their

9 lives during which they will continue to

10 consume our product.

11 Q. So the NFL's not concerned about

12 the possibility that children will be watching

13 their games for the wrong reasons?

14 MR. DREYER: Objection, asked and

15 answered.

16 A. If they're watching the games for

17 the reasons I've just outlined, those are the

18 right reasons.

19 Q. Mr. Ferazani?

20 A. Yes, sir.

21 Q. The NFL Network has shows that

22 focus on fantasy football, correct?

23 A. I believe it does, yes.

24 Q. Are you familiar with the show

25 called NFL Fantasy Live?

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 A. I believe I've seen it.
 3 Q. Are you familiar with the segment
 4 on the show called That Helps No One?
 5 A. No, I'm not.
 6 (Exhibit 30: NFL.com NFL Fantasy
 7 Live, was marked for identification.)
 8 MR. DREYER: Same objection with
 9 respect to documents not produced -- use
 10 of documents not produced in accordance
 11 with the Court's order.
 12 BY MR. SIGLER (continuing):
 13 Q. Mr. Ferazani, you've been handed a
 14 copy of a document marked Exhibit 30. This is
 15 a printout from NFL.com discussing NFL Fantasy
 16 Live. Do you see that?
 17 A. That's what this appears to be,
 18 yes.
 19 Q. The big black box in the middle is
 20 where the video is displaying on line which
 21 obviously does not print out. But do you see
 22 right underneath the black box, the statement
 23 that says: Adam Rank and the NFL Fantasy Live
 24 crew go through the players in Week 4 that
 25 helped no one by stealing touchdowns from your

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 MR. DREYER: Objection. Mr.
 3 Sigler, now you're testifying. The
 4 witness has no foundation for this
 5 document. But you can answer if you're
 6 able to.
 7 A. If I was to speculate, that would
 8 be the direction in which I would speculate.
 9 Q. Does this sentiment that a player
 10 is stealing a touchdown from another player
 11 deepen the bonds of loyalty between the NFL's
 12 fans and its teams?
 13 A. I think it's consistent with the
 14 premise of fantasy football where a fantasy
 15 football owner has players that he's selected
 16 across the League on various teams and he
 17 wants to do well so that he can get points for
 18 his team that week. The essence of the NFL
 19 both in our actual games and in fantasy
 20 football is competition, so I don't believe
 21 that this is inconsistent with that premise.
 22 (Exhibit 31: NFL.com NFL Fantasy
 23 Live, was marked for identification.)
 24 BY MR. SIGLER (continuing):
 25 Q. Mr. Ferazani, you've been handed a

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 starters"?
 3 A. That's what that says, yes.
 4 Q. Do you know what that means?
 5 A. I don't know.
 6 Q. Do you know who Adam Rank is?
 7 A. I do not.
 8 Q. Do you understand what it would
 9 mean for a player to steal a touchdown from
 10 someone's starters?
 11 MR. DREYER: Objection, asked and
 12 answered.
 13 A. I can speculate, but that's what
 14 that would be.
 15 Q. How would you speculate on that?
 16 MR. DREYER: Objection, calls for
 17 speculation in the form of the question
 18 that was asked.
 19 MR. SIGLER: I'll withdraw the
 20 question.
 21 Q. Do you understand that what this is
 22 saying, Mr. Ferazani, is that persons who
 23 aren't starters on someone's fantasy football
 24 leagues when they score touchdowns are, in
 25 effect, stealing touchdowns?

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 document marked Exhibit 31. This is --
 3 MR. DREYER: Let me once again
 4 renew my objection to documents being
 5 used by Defendants that have not been
 6 previously produced.
 7 BY MR. SIGLER (continuing):
 8 Q. Mr. Ferazani, this is a printout
 9 from NFL.com that also concerns NFL Fantasy
 10 Live. Do you see that?
 11 A. That's what this appears to be.
 12 Q. And it specifically relates to a
 13 segment on NFL Fantasy Live that says Show Me
 14 the Money?
 15 A. That's what it says, yes.
 16 Q. Underneath that it says: Actor
 17 Jerry O'Connell and the NFL Fantasy Live crew
 18 explained which slacking players need to step
 19 up and prove they are legitimate starters in
 20 fantasy leagues.
 21 Do you see that?
 22 A. That's what it says, yes.
 23 Q. So based on that statement, do you
 24 have an understanding of what "show me the
 25 money" means?

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MR. DREYER: Objection; lack of foundation, calls for speculation. You can answer.

A. I don't know why it's labeled "show me the money."

Q. Does the statement "show me the money" in connection with fantasy football suggest that fantasy football participants have a financial interest in the outcome?

MR. DREYER: Objection; lack of foundation, calls for speculation.

A. Not to me, no.

Q. What does it suggest to you?

A. There's a movie--I'm not sure if Jerry O'Connell was in it--with Tom Cruise about an agent. And when the player did really well, it was "show me the money, show me the money," because he had a great season. My guess is that would be a reference to that movie, which I am embarrassed to admit I forget the name of right now.

MR. DREYER: Let the record reflect the witness is referring to Jerry McGuire.

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A. Reviewing this for the first time as I sit here today, I'm guessing. I don't want to guess.

MR. DREYER: Don't guess.

Q. Do you see the statement underneath Fantasy - trash or treasure, that says: Fantasy guru, Michael Fabiano, joins NFL AM to share which Week 1 surprise fantasy studs are trash and which are treasure?

A. That's what that says, yes.

Q. And you understand that that means that Mr. Fabiano is going to discuss the players who scored a lot of fantasy points during week one?

MR. DREYER: Objection; lack of foundation, calls for speculation.

Q. Do you understand that?

A. I would be speculating.

Q. Do you understand that Mr. Fabiano is going to be labeling some NFL football players as trash and some as treasure?

MR. DREYER: Same objection; lack of foundation, calls for speculation.

A. I don't know who Mr. Fabiano is and

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HIGHLY CONFIDENTIAL - L. FERAZANI

THE WITNESS: Thank you, Jerry McGuire.

Q. And in the Jerry McGuire movie, the player who wants to be shown the money wants a big contract, correct?

A. That's correct.

Q. He wants, in effect, a financial prize for his performance, correct?

MR. DREYER: Objection to the form of the question.

A. He wants a contract as a result of his efforts for the year, yes.

(Exhibit 32: NFL.com article, was marked for identification.)

MR. DREYER: Same objection with respect to use of documents not produced by counsel.

Q. Mr. Ferazani, you've been handed a document marked Exhibit 32. This also is a printout from NFL.com. And do you see the statement in the middle of the document that says: Fantasy - trash or treasure?

A. Yes, I see that.

Q. Do you know what that refers to?

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HIGHLY CONFIDENTIAL - L. FERAZANI

I don't want to speculate.

Q. If someone on the NFL Network is referring to NFL football players as trash, is that consistent with developing the bonds of loyalty between a fan and his team?

A. I think any time you put on sports radio a debate about which players are better than others is the essence of sports and what sports fans do. They debate who is the best, you know, wide receiver of all time, who's the best quarterback of all time, other sports' pitchers.

The essence of sports is healthy competition not only among teams but, as I've alluded to, fantasy football enhances fans' understanding and appreciation of individual athletes on teams other than those they normally would follow geographically. So the fact there would be a debate about which player's better than others and despite the hyperbole and the words "trash" and "treasure," that's consistent with the essence of a sports debate.

Q. Mr. Ferazani, has there ever been a

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 violation of the League's gambling policy that
 3 involved fantasy football?
 4 A. Not to my knowledge.
 5 Q. Was there an instance several weeks
 6 ago where a replacement referee told LeSean
 7 McCoy that he wanted him to perform well for
 8 the replacement referee's fantasy football
 9 team?
 10 A. I'm not aware of such episode at
 11 all.
 12 (Exhibit 33: Slide deck
 13 Professional League Sports Wagering
 14 Summit September 2012 (#PLAINTIFFS'
 15 00002301-318), was marked for
 16 identification.)
 17 BY MR. SIGLER (continuing):
 18 Q. Mr. Ferazani, you've been handed a
 19 document marked Exhibit 33. Please take a
 20 look at the document and tell me whether you
 21 recognize it.
 22 A. Generally I do, yes.
 23 Q. What is this document?
 24 A. This was a slide deck presented at
 25 the Professional League Sports Wagering Summit

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 A. I think we did receive it. I'm not
 3 sure. I know it was presented by slides.
 4 Q. Who else from the NFL was present
 5 at the summit?
 6 A. There were people that were
 7 present, again, for parts of the summit: Jeff
 8 Pash, our general counsel gave the opening
 9 remarks. That's P-A-S-H. Dave Gardi was
 10 present, G-A-R-D-I, was present for part of
 11 the summit. Dina Garner, G-A-R-N-E-R, from
 12 our player engagement group was present for
 13 part of the summit or most of the summit.
 14 Adolpho Birch was present for part of the
 15 summit.
 16 I believe there may have been other
 17 members of our security department there as
 18 well.
 19 Q. Did someone from the NFL give a
 20 presentation, other than Mr. Pash's opening
 21 remarks?
 22 A. I did.
 23 Q. And what did you give a
 24 presentation on?
 25 A. The Delaware sports case.

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 held in September of 2012. I believe this was
 3 presented by the NCAA.
 4 Q. Were you present at that summit?
 5 A. I was present for parts of that
 6 summit, yes.
 7 Q. It was a two-day summit; is that
 8 correct?
 9 A. It was, yes.
 10 Q. Were you present for one of the two
 11 days or parts of the two days?
 12 A. Part of one day. I did not attend
 13 the day held at baseball.
 14 Q. So you were present for September
 15 12th; is that correct?
 16 A. Part of that day. Part of the
 17 benefit of having it in the National Football
 18 League office means I could bounce upstairs if
 19 I needed to.
 20 Q. And you were present for the NCAA
 21 presentation that's reflected in Exhibit 33?
 22 A. I believe I was present for part of
 23 this, yes.
 24 Q. Did you get a copy of this
 25 document, Exhibit 33, at the summit?

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
 2 Q. Did you have a written PowerPoint
 3 presentation?
 4 A. I believe I did.
 5 Q. Do you still have it?
 6 A. If I did, I would, yes.
 7 Q. Did anyone give any presentations
 8 at the summit that incorporated any consumer
 9 surveys or studies about sports gambling and
 10 the impact on fans?
 11 A. I know the -- and I haven't gone
 12 through these slides in a while. The NCAA
 13 was, when I was present, the only group that
 14 gave any -- reported on any studies.
 15 Everything else was anecdotal or policy
 16 driven.
 17 Q. Can you turn with me, please, to
 18 the page with the Bates number 2307 at the
 19 bottom.
 20 A. Yes.
 21 Q. And do you see that this page
 22 reflects results of the NCAA's study regarding
 23 fantasy sports participation?
 24 A. I see that.
 25 Q. Do you recall this part of the

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1 HIGHLY CONFIDENTIAL - L. PERAZANI

2 NCAA's presentation?

3 A. I do not.

4 Q. Do you see at the bottom of the

5 page there's a list of fantasy sports played

6 by student athletes that reported

7 participation in the last 12 months?

8 A. I see that slide, yes.

9 Q. And do you see that, of the males,

10 64.4 percent reported playing the NFL?

11 A. I see that, yes.

12 Q. Has the NFL ever had any

13 discussions with the NCAA about fantasy

14 football and its impact on student athletes?

15 A. Not that I'm aware of.

16 Q. At this summit did the NCAA raise

17 any concerns about fantasy football and its

18 impact on student athletes?

19 A. Not to me and not to my knowledge.

20 I'm not sure what the spoken aspect to these

21 slides were, but nothing that I can recall.

22 Q. Are you aware that the NCAA views

23 fantasy football as a violation of its

24 gambling policies?

25 MR. DREYER: Objection to the form

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 A. As I've explained, I think to play

3 a game for money or property as set forth in

4 the first section is not specific enough or

5 broad enough. You know, I accept this, what

6 Merriam-Webster defines gambling as. It's a

7 different standard as to what's legal versus

8 illegal. Fantasy football has been found not

9 to be -- or pursuant to federal law and state

10 law, is not illegal gambling.

11 Q. Some gambling is legal and some is

12 illegal, correct?

13 A. True, yes.

14 Q. So let me ask my question again

15 just to make sure we're not talking past each

16 other: Do you agree or disagree with the

17 definition of gamble set forth here from

18 Merriam-Webster? And let's focus on the 1(a)

19 definition.

20 MR. DREYER: Objection to the form

21 of the question. Agree or disagree with

22 the definition? I don't even know what

23 that means. You can answer.

24 A. I don't know.

25 Q. What don't you understand about the

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1 HIGHLY CONFIDENTIAL - L. FERAZANI
2 of the question.
3 A. I was not aware of that, no.
4 MR. SIGLER: Let's take a break.
5 MR. DREYER: Sure.
6 (Recess taken: 4:43-4:56 p.m.)
7 (Exhibit 34: Merriam-Webster
8 dictionary definition of "gamble", was
9 marked for identification.)
10 BY MR. SIGLER (continuing):
11 Q. Mr. Ferazani, you've been handed a
12 copy of a document marked Exhibit 34 which is
13 a printout from Merriam-Webster Online of the
14 definition of the word "gamble." Please take
15 as much time as you need to review it. My
16 first question is going to be whether you
17 agree with the definition.
18 MR. DREYER: My objection is to the
19 use of documents not previously produced.
20 I'm not sure what 30(b)(6) topic this is
21 relevant to. The witness can testify as
22 to his understanding. I'm not sure what
23 the relevance is either, but that's
24 another issue. You can answer as you're
25 able.

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 question?

3 A. This is what Merriam -- I will take

4 your representation that this is how Merriam-

5 Webster defines gambling.

6 Q. Do you agree with this definition?

7 MR. DREYER: Objection to the form

8 of the question.

9 A. To play a game for money or

10 property. No, because that also fits the

11 definition of what our football players do:

12 They play football for money. So to that

13 extent, they are not gambling. I don't think

14 this definition is specific enough for this

15 context.

16 Q. Do you agree with the 1(b)

17 definition of gamble to bet on an uncertain

18 outcome?

19 MR. DREYER: Same objection.

20 A. To bet on an uncertain outcome.

21 Well, since the word "bet" is contained within

22 the definition, this is kind of a circular

23 exercise. Bet and gamble in my world are

24 synonymous.

25 Q. All right. What about definition

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 number two, to stake something on a
3 contingency?

4 MR. DREYER: Objection to the form
5 of the question.

6 A. To stake something on a
7 contingency. I'm not sure what that means.

8 Q. Mr. Ferazani, other than the
9 studies we've discussed today, are you aware
10 of any other studies by the NFL regarding the
11 impact of sports gambling on the NFL or its
12 teams?

13 MR. DREYER: Objection to the form
14 of the question. You can answer.

15 A. In addition to the studies and the
16 ongoing study that the NFL engages in in
17 making any business decision, none that I can
18 recall as I sit here at the end of the day.

19 Q. Are you aware of any other written
20 studies regarding the impact of sports
21 gambling on the NFL or its teams?

22 MR. DREYER: Same objection. You
23 can answer.

24 A. As I sit here today, I can't
25 provide any other list, although to be honest,

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 other state is no different. The fact that
3 New Jersey is seeking to violate federal law
4 by permitting sports gambling which would, by
5 New Jersey's own representation, involve
6 advertising, promoting sports gambling which
7 would logically increase the amount of
8 gambling on our games, is detrimental to our
9 relationship with our fans for all the reasons
10 I've previously testified.

11 Q. The NFL does not have any written
12 studies or analyses regarding the impact or
13 potential impact of legalized sports gambling
14 in New Jersey on the NFL or its teams,
15 correct?

16 A. I would contend that the, you know
17 -- we've reduced this to writing by our
18 statements in support of PASPA, by our
19 testimony in support of that law, by the
20 Complaint that we filed in Delaware, by the
21 Complaint that we filed in this case. Those
22 are all reflective of the ongoing
23 understanding of the NFL's business model and
24 the relationship we have with our fans.

25 If there is -- if you're asking is

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 I'm not sure that I can recite every study
3 that we discussed or every document we've
4 discussed for the past five hours and change.
5 But I can't add anything to the list off the
6 top of my head right now.

7 Q. The NFL does not have any studies
8 regarding the impact or potential impact of
9 legalized sports gambling in New Jersey on the
10 NFL or its teams, correct?

11 MR. DREYER: Objection, asked and
12 answered.

13 A. As we discussed at the beginning of
14 this deposition when I was much fresher, every
15 day the NFL makes decisions based upon its
16 experience, both from observations of other
17 leagues, its own history and its analysis of
18 its business model, which is protecting the
19 shield, ensuring the integrity of our game and
20 making decisions based upon potential events
21 or activity which may or may not present a
22 risk to the integrity of our game and our
23 relationship with our fans.

24 So New Jersey is no different. In
25 the analysis regarding New Jersey versus every

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1 HIGHLY CONFIDENTIAL - L. FERAZANI

2 there a report summarizing data that we
3 collected from New Jersey voters or those that
4 do not have a stake in the NFL and its game, I
5 don't have any such study. But I would submit
6 that our activity in this case and our history
7 shows we have studied the issue and that our
8 study has resulted in the conclusion that it
9 is detrimental to our game.

10 Q. Mr. Ferazani, have you issued hold
11 notices to the people at the NFL most likely
12 to have relevant information?

13 A. Yes, I did.

14 Q. And are you aware of any relevant
15 documents being destroyed or deleted or thrown
16 away?

17 A. No. That would be in violation of
18 the hold notice and our practice.

19 Q. Did you gather documents from
20 everyone in the research group that includes
21 Ms. Rankin?

22 MR. DREYER: Objection to the form
23 of the question. You can answer.

24 A. Yes. And I discussed with
25 Ms. Rankin what we were seeking and made sure

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that she canvassed sufficiently.

Q. Did you get documents from Mr. Mummery?

MR. DREYER: Counselor, let me just make it clear because I know you didn't participate in any discussions with the Court. There was a 30(b)(6) topic on data collection and we objected, the judge struck it. So I'll give you a little bit of leeway without waiving any privilege.

But, again, this is another area the court has foreclosed. So you have our objection.

A. Yes, I did.

MR. SIGLER: Okay. I think we're done, with the proviso that we reserve our right to revisit the deposition, to continue the deposition in light of the deficiencies that we've identified as well as any we haven't yet identified in the NFL's document production.

But having said that, we're done for the day today.

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STATE OF NEW YORK)

) ss:

COUNTY OF NEW YORK)

I, LAWRENCE P. FERAZANI, JR., the witness herein, having read the foregoing testimony of the pages of this deposition, do hereby certify it to be a true and correct transcript, subject to the corrections, if any, shown on the attached page.

LAWRENCE P. FERAZANI, JR.

Sworn and subscribed to
before me this _____ day
of _____ 2012.

NOTARY PUBLIC

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MR. DREYER: Just so you have our position, which is that the NFL has complied with its obligations and there are no deficiencies, discovered or undiscovered, in connection with this case. We can go off the record with that.

(Time noted: 5:06 p.m.)

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1	ERRATA SHEET		
2	VERITEXT REPORTING COMPANY		
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4	NEW YORK, NEW YORK 10001		
5	800-362-2520		
6	CASE: NCAA, ET AL. VS. CHRISTIE, ET AL.		
7	DEPOSITION DATE: NOVEMBER 5, 2012		
8	DEPONENT: LAWRENCE P. FERAZANI, JR.		
9	PAGE	LINE(S)	CHANGE REASON
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20			
21	LAWRENCE P. FERAZANI, JR.		
22	SUBSCRIBED AND SWORN TO BEFORE ME		
23	THIS ____ DAY OF _____, 20__.		
24			
25	(NOTARY PUBLIC)	MY COMMISSION EXPIRES:	

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1	C E R T I F I C A T I O N		
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3			
4	I, Sherri Flagg, a Registered		
5	Professional Reporter, Certified LiveNote		
6	Reporter, and a Notary Public, do hereby certify		
7	that the foregoing witness, LAWRENCE P. FERAZANI,		
8	JR., was duly sworn on the date indicated and		
9	that the foregoing is a true and accurate		
10	transcription of my stenographic notes.		
11	I further certify that I am not		
12	employed by nor related to any party to this		
13	action.		
14	Dated this 7th day of November, 2012.		
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18	Sherri Flagg, RPR, CLR		
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